HOUSE OF COMMONS DEBATES

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TO THE TWENTY-FIRST DAY OF FEBRUARY, 1990

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HOUSE OF COMMONS

Wednesday, December 20, 1989

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PANAMA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, Canadians have been very disturbed by the dictatorship of General Noriega and his continued refusal to acknowledge the results of the democratic elections that were held this past May. Our party has supported any international efforts toward a peaceful transition for Noriega for the rightful government.

Nonetheless, as Canadians we cannot accept the use of force by an outside party to change circumstances internal to a country. Canada is a signatory to the United Nations and as such we have always embraced the United Nations charter that explicitly prohibits the use of military force by one state against another.

To defend Canada's support for the U.S. invasion of Panama, the government has argued that in this particular case the lives of American citizens are at stake. We must remember, however, that a large US military presence already existed in Panama which could arguably have handled the situation without an outright military onslaught.

At both emergency sessions of the Security Council and of the OAS, I call on the government to state categorically that it cannot and will not support any violation of the principle of non-intervention which would include military invasion of Panama by the United States.

[*Translation*]

THE WORLD FREE-STYLE SKI CUP

Mr. Jacques Vien (Laurentides): Mr. Speaker, I would like to inform the House that the beautiful riding of Laurentides will once again host an international event.

World Cup free-style skiing will take place at Mont Gabriel, in the municipality of Mont-Rolland, on January 5, 6 and 7, 1990, and will include three sections: ballet, moguls and jumps. Athletes from more than 20 countries will compete in a very high calibre event, during which the talents and skills of competitors will be stretched to the utmost.

Mr. Speaker, as you know, free-style skiing is attracting an increasingly large following, both in Canada and abroad. It is a very demanding sport that requires steady nerves, daring, flexibility, agility and determination.

Mr. Speaker, I would like to express my appreciation for the work of our volunteers and wish the athletes the very best during this competition.

* * *

[*English*]

THE SENATE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the Liberal senators are at it again. They are attempting to delay Bill C-21, the unemployment insurance bill which this House passed six weeks ago.

They are doing it for purely partisan reasons. They are the same people, the same group of hacks, that refused to back Bill C-103. Remember that one, Mr. Speaker, the ACOA act back a couple of years ago? They nearly succeeded in killing that one, but they are not going to succeed on this one. Clearly, the Liberal senators care little for the men and women—

Mr. Speaker: The hon. member is making a point. However, I have to point out that it is not appropriate in this place to cast aspersions on the other place, and

because I am bound by the rules I have had to interrupt the hon. member and I will have to go on.

* * *

[*Translation*]

THE SENATE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, several months ago, the Liberal party, assisted by a non-elected Senate and for strictly partisan reasons, blocked the passage of Bill C-22, so that hundreds of Canadian researchers were unable to develop new drugs for the well-being of Canadians and thus create thousands of new jobs in research.

Today, we see the same scenario: the Liberals, with a Liberal non-elected majority in the Senate, have decided to block Bill C-21 and keep $800 million from being spent on much needed manpower training programs.

Mr. Speaker, are we really in a democratic country when this is the result of Liberal arrogance? Mr. Speaker, I deplore this perverse exercise. It is time it was stopped.

* * *

• (1410)

[*English*]

THE SENATE

Mr. René Soetens (Ontario): Mr. Speaker, in the past I have spoken in favour of the amendments to the Unemployment Insurance Act, Bill C-21, and how they affect my riding.

Now Senator MacEachen and that Liberal bunch in the other place are denying my constituents those benefits. To the unemployed in my riding requiring retraining so that they can get back into the workforce, Liberals are saying: "wait". To those mothers who are experiencing problems during pregnancy and could use some additional benefits during the difficult times, Liberals are saying: "Keep working and suffer". To those families who want both mother and father to enjoy the birth of their child while allowing the mother to return to the workplace sooner, Liberals are saying: "Too bad". To the displaced older worker, who needs assistance to re-enter the workplace, Liberals are proving they really do not care. To parents who have waited a long time for the opportunity to adopt a child, Liberals are saying: "You are not entitled to parental benefits".

I call upon the Senate to show some caring and compassion for those in Canada who truly need help.

* * *

THE LATE DR. HELEN CREIGHTON

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to pay tribute to the late Dr. Helen Creighton, a native of Dartmouth and one of the most outstanding Nova Scotians of her generation, who passed away last Tuesday at the age of 90.

In her early years, during the 1920s, she worked as a social worker and as a teacher before her love of music and folklore became her vocation. Starting in 1928, Helen Creighton became a familiar figure throughout rural Nova Scotia, bouncing down gravel roads, arriving at isolated homes, and chronicling the songs and stories of the people who had passed them down from generation to generation.

Throughout her lifelong pursuit, Dr. Creighton gathered and recorded over 4,000 songs in English, French, Gaelic, Micmac, and German and she wrote extensively on her maritime heritage. As testament to their worth, her works can be found in the Library of Congress in Washington, the National Archives and, most important, the Public Archives of Nova Scotia.

Dr. Creighton was a prolific writer and a great listener, but most of all she was a visionary who saw the value of the treasure of Nova Scotia's music, culture and heritage.

Mr. Speaker, colleagues, probably the best known song of Dr. Creighton's collection is *Farewell to Nova Scotia*. Today, on behalf of all Nova Scotians, I say farewell to her. Our generation and future generations will enjoy her remarkable legacy of music and folklore for she has truly given us a record of our history.

On behalf of the people of Dartmouth, Nova Scotia, and Canada, I say farewell and Godspeed to Dr. Helen Creighton.

* * *

SENATE REFORM

Miss Deborah Grey (Beaver River): Mr. Speaker, as we look around us this Christmas, we must not forget that there is still an overabundance of war and hunger and disease in the world. Yet, this is also a special year.

This year, as never before, we are seeing freedom and democracy and hope lit in the politics of many countries where there was none before.

Unfortunately, this spirit has not made much of an impression on the Government of Canada. Unreformed politics remain part of our own political system, particularly in our Upper House. Senator Murray, on behalf of the government, travels from provincial capital to provincial capital, a living insult to Senate reformers, urging premiers to ignore the Canadian public's rejection of Meech Lake.

And what of the Senate? When the Senate uses its constitutional power, the Conservatives cry that it is undemocratic. When an attempt is made to democratize the Senate, the Conservatives then say that it is unconstitutional. Now the Minister of Justice has openly mused that maybe the Senate should be abolished, saying in the *Vancouver Sun*, "I have to be convinced of the need for (any) Senate".

The P.C. government has still not tabled its position on the Senate, as it said it would. But Canadians are certainly beginning to see what the agenda really is.

* * *

PAY EQUITY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, for another year in a row Statistics Canada reports that the pay gap between women and men is as wide as it was a decade ago.

The government says it wants full equality for Canadian women. But what does this government mean by "equality"? Equality means earnings which are only 65 per cent as much as men but paying 100 per cent of the grocery bills, 100 per cent of the rent, and 100 per cent of the cost of child care.

Equality means watching the government talk about pay equity and fair employment practices, but legislating its own female hospital workers back to work because they asked for pay equity with men doing similar work. When will this government realize that equality means paying your own women employees at 100 per cent of the rate that male employees receive? When will this government realize that equality for women has to be real, direct and complete?

S. O. 31

ROMANIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I rise today to denounce the recent actions of the dictator of Romania, Nicolae Ceausescu and his henchmen.

As a Canadian of Hungarian ancestry, I have a special interest in Hungary, and in particular the brutal repression of the Hungarian minority of Romania, the largest ethnic minority in all of Europe. Ceausescu's terrorist police have persecuted Reverend Laszlo Tokes, about whom we have already heard in this House, and have now massacred people who have been caught up in the euphoria of freedom flowering in eastern Europe. Romania's actions are an affront to human rights, *glasnost*, and the very real thaw in the cold war. We must do more than protest on paper. I call on the government to immediately review our economic relations with the butcher of Bucharest. Let us do the right thing and back our words of protest with appropriate actions. Further, I call on the House to unanimously condemn the heinous actions of this political dinosaur.

* * *

FAMINE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, famine looms again for millions of people in Ethiopia, Eritrea and Tigré. The United Nations has announced a 100 per cent crop failure in the region where food production has long been disrupted by war.

The majority of those affected by the famine live in areas beyond Ethiopian government control, areas I visited in 1986. Ethiopia has been thwarting the international response to this situation. In November, diplomatic negotiations for safe passage agreements broke down.

This is no time for diplomatic niceties. Canada is moving too slowly to meet this challenge. Quiet diplomacy has become silent complicity as millions of people face death in the region today. CIDA has approved only half the food aid committed last year, which was a non-crisis year.

The worst fears of those of us who spoke out against the government cuts to development assistance are being realized. The result of Tory deficit reduction is indeed people dying in Africa. Canadians opened their

hearts in 1984. We must respond with equal urgency and generosity now.

* * *

UNEMPLOYMENT INSURANCE

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the riding of Cumberland—Colchester, Nova Scotia is not an area of high employment and, in fact, has much seasonal work. Through the successful efforts of many groups of municipal development officers, provincial agencies, ACOA and other federal programs in co-operation with the private sector, this spring and summer we experienced the lowest unemployment rate in recorded history.

However, due to the seasonal nature of many of our jobs, it is absolutely essential that Bill C-21, now stalled in the Senate, be passed immediately. I call on the retiring Leader of the Opposition, as well as all the new prospective leaders, and all the Atlantic opposition members, to apply pressure on their colleagues in the Senate to quickly pass this legislation.

The senators involved need never worry about being out of work and requiring unemployment insurance, but the people in my riding do. A quick passage of this bill would provide a sigh of relief and a merry Christmas for the people of Atlantic Canada.

* * *

VIA RAIL

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, there is considerable evidence out there to prove that the government has not been listening before or since making its cuts to VIA Rail.

A retired military man and his wife phoned VIA Rail in April, 1989 to reserve seats from Petawawa to Calgary to visit their daughter. They were told that VIA Rail through Arnprior, Pembroke, Petawawa, North Bay to western Canada was all booked up.

The Governor of Rotary International for District 704, who lives in Montreal, phoned VIA Rail about six weeks ago to make reservations two weeks in advance for a Paul Harris Fellow Night to be held at CFB Petawawa. He was told he would not need a reservation. Two weeks later when he showed up at the train there was no room, so he had to cancel his visit and his speech.

The VIA Rail passenger service through the Ottawa Valley is so filled at times that people have to sit in the bar car because there are no other seats. The Ottawa Valley will be without passenger rail service because the government is cutting it out as of January 15, 1990. This is yet another cut to eastern Ontario. The Prime Minister said: "Use it or lose it". The fact is that it does not matter whether VIA Rail was being used or not, the government simply had it in its mind to cut. A public hearing into this issue must cover all these facts, because they have been unreal in many instances.

ORAL QUESTION PERIOD

• (1420)

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, low income, middle income Canadians and small business will be the victims of the goods and services tax. They are going to pay the price, and now they know just how much they are going to pay. Canadians are faced with high interest rates, a high Canadian dollar, lower consumer spending and a disaster in exports.

Is the Minister of Finance prepared to tell the bare, unvarnished truth to Canadians? Is it the policy of the Minister of Finance and the government to drive Canada into a recession to ensure that there is high unemployment to satisfy the insatiable appetite of the Governor of the Bank of Canada for zero inflation? Is that what your policy is?

Hon. Michael Wilson (Minister of Finance): The only straight answer I can give to that question is no, Mr. Speaker.

I do want to comment on what the member said in the preamble to his question. He said that low income Canadians were going to be the major people suffering from the goods and services tax. I do not know how he can say that when it states on pages 33, 34, 35 that a single individual over age 65 will be $139 ahead after the goods and services tax. A one-earner couple, with two children, earning $25,000 will be $395 ahead. A two earner couple, with two children, earning $30,000 will be

about $300 ahead. A single parent, with two children, earning in the $25,000 to $30,000 range will be ahead $267 to $346.

How can the hon. member stand up in the House and utter that nonsense when he knows that the statements in this document are saying exactly the opposite.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, since the Minister of Finance is such a good reader, perhaps he would be so kind as to answer this question.

The minister told us yesterday that the deficit for this fiscal year should be about $30.5 billion, right on target. However, the minister did not produce figures on the deficit for the years to come. Will the minister confirm to the House today that the deficit for the current fiscal year will be maintained at $30.5 billion, and second, will he look in his book and tell us what is going to happen to the deficit in the years following the introduction of his GST?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can confirm what I have said on a number occasions that the deficit for this current fiscal year is on track. I also said yesterday in my remarks, that the deficit next year is under some pressure, and it will probably require some expenditure reductions in order to bring it on track. That information will be made available to the public at budget time.

Mr. Douglas Young (Gloucester): Mr. Speaker, yesterday we had the spectacle of seeing the Minister swallow himself whole. He bit the bullet, he back-peddled, he listened to the pollsters, and he set a GST rate at 7 per cent. Now, I wonder if the minister is going listen to the consumers of Canada, to business, to bankers, to the unanimous recommendation of the finance committee—he often refers to the work of the finance committee—and to the recommendations of the ten premiers across this country.

Will the Minister of Finance, for the benefit of Canadians and in the spirit of Christmas, eat crow and reduce the interest rates in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I can see that my hon. friend from Gander—Grand Falls is not here because I think he might be able to coach the hon. member a little bit better for his questions.

The hon. member refers to the work of the finance committee. I have a summary here which shows that the most common recommendation or statement that was made during the course of the finance committee hearings was that we should have a change from the existing 13.5 per cent federal sales tax to a goods and services tax. We have listened to that.

The hon. member makes these comments criticizing me for listening to Canadians. When I listen he says I am swallowing myself, and when we do not listen he says why are we not listening. We are listening, we have listened, and we are going to continue to listen.

I am not going to answer the question that he has just asked. I have answered that about half a dozen times over the course of the last three or four days. If he wants to get together with me, I will explain it to him chapter and verse. But I have given the House that answer many, many times.

Mr. John Manley (Ottawa South): Mr. Speaker, the Minister of Finance promised Canadians with tax reform a fairer tax system. Yesterday, he announced that he was at least temporarily setting the rate of the GST at 7 per cent. When he did so he asked large corporations and high-income Canadians for only $400 million while he was asking for $5.5 billion from everybody else including the lower-income Canadians, students, the elderly and small business.

Given that the sales tax is inherently regressive, especially since the credits to the poor are not indexed, would the minister please explain to Canadians what is his concept of fairness?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member asks—

An hon. Member: Page 12 of the book?

Mr. Wilson (Etobicoke Centre): Friends across the way wonder what page of the book I am reading from. They have not read the book because if they had read the book they would not be asking the questions.

The hon. member is being misleading—I am not going to say deliberately misleading, I am going to say misleading—in the way that he expresses his question. He knows that as we have dropped the rate by two percentage points, obviously we are able to reduce the amount of protection that we are providing for people who want to buy a new home or people who are in low-income brackets, and we can also remove the middle-income tax

rate reduction because people in low and middle-income brackets are going to be good beneficiaries of the drop in the rate.

If we had just left it at that, he would have had a reasonable question because the major beneficiaries would have been people in upper-income brackets. That is precisely why we brought in the upper-income surtax so that people throughout the country, whether they are low, middle or upper income, are all treated in approximately the same way, and in many cases better than they were, but very close to the way they had been treated under the 9 per cent proposal.

Mr. John Manley (Ottawa South): We continue to see the inherent regressivity. I notice the minister did not address that one, Mr. Speaker.

[*Translation*]

Mr. Speaker, the minister also promised a sales tax that would be simple and straightforward, but he plans to increase the number of businesses that are to collect and pay the sales tax from 75,000 to more than one million. Furthermore, he intends to impose a sales tax at two levels of government. Despite the changes announced yesterday, it is still a nightmare: too complex and too difficult to administer.

Would the Minister explain to Canada's small businesses what he means by simple?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member said that I did not address his point about being inherently regressive. What was inherently regressive was the sales tax that we inherited in 1984. There was no refundable sales tax credit to offset the impact of sales tax in the hands of low-income Canadians. We introduced that in 1986. We have increased it twice, and we are increasing it again in a goods and services tax credit which is a rebate, a cheque paid to low-income Canadians four times a year. Seventy-five per cent of people who are in seniors' families and families led by a single parent will be better off.

• (1430)

How can he continue to utter that nonsense about this being an inherently regressive tax? We have changed that. It was inherently regressive. It is now a progressive tax.

* * *

PANAMA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. Early this morning we learned of the American invasion of Panama. We understand that President Bush telephoned the Prime Minister after the invasion was under way. I feel that Canadians have the right to know whether the Prime Minister expressed any objections to the President regarding that military invasion.

The Prime Minister stated this morning that in the OAS, Canada would not support any kind of action to condemn the invasion of Panama. Does the Prime Minister not think that the time has come when Americans no longer have the right to expect that they can intervene militarily in Latin America whenever they choose?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Ms. McLaughlin: Is this the way for a civilized government to act in a civilized world? When is the Prime Minister going to communicate to the American government that Latin America is no longer the private backyard of the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I received a telephone call early this morning from President Bush in respect of the actions in Panama. Following immediate consultation with the Secretary of State for External Affairs, the Government of Canada issued a statement which says in part:

> The Canadian government regrets the use of force by the U.S.A. in Panama but understands and is sympathetic to the American action in the circumstances, particularly given their concern over the escalating threats to American citizens in Panama.

If my hon. friend believes that Canadians and/or Americans should be indifferent to a declaration of war against the United States by Mr. Noriega, by the murder of American citizens by Mr. Noriega and by his security

threats, and if my hon. friend, the leader of the NDP, believes that Canadians ought to remain indifferent to this callous abuse of liberty and life, the Progressive Conservative government is not among her supporters.

Some hon. Members: Hear, hear!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I suggest that it is not Canadians who are indifferent to what happens in Central America. Canadians want to see peaceful solutions in Central America. They want to see us use the United Nations, the Security Council and the OAS for those purposes.

Mr. Speaker, we too find Noriega reprehensible. We too feel concerned that international efforts have to be made so that democratic government can be restored in Panama.

We also recognize that Noriega was a creation of the American government.

Some hon. Members: Oh, oh!

Ms. McLaughlin: Surely, it was when Mr. Noriega decided not to agree with the American government he became the object of the excuse for an invasion.

I wonder if the American government's actions indicate that this government believes that the U.S., or that any other country, should feel free to invade a country at any time when it disapproves of a government.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the sentiments expressed by the Leader of the New Democratic Party are so far removed from the mainstream fundamental values of Canadians, that she has just indicated why they will never, ever, be called upon to form a government in this country.

Some hon. Members: Hear, hear!

Mr. Mulroney: Has the hon. leader forgotten that there was a democratically elected government in May of this year that was abused, beaten and terrorized by General Noriega and his thugs?

Has the hon. member forgotten that General Noriega is under indictment for drug running and corruption in the United States?

Has the hon. member forgotten that General Noriega authorized the issuance of a declaration of war against the United States, and subsequent thereto American citizens were killed?

The United States of America acted to protect the interests of its nationals. Its conduct is governed by international treaties in respect of Panama. The Secretary of State for External Affairs has said many times that intervention ought to be at all times as a last resort. We believe that in these particular circumstances, the United States of America and the President of the United States acted properly.

Some hon. Members: Hear, hear!

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, if Canada supports the actions of the American government, does this mean we believe the United States or any other nation is free to use force when it disapproves of a government? What is Canada going to say to the Organization of American States and the UN Security Council about these issues? What about the role of intermediary power that this government wanted Canada to play within the Organization of American States?

This government refuses to condemn U.S. support for the military in Salvador, and it refuses to condemn the American invasion of Panama. Does this mean it has no independent foreign policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my answer to the leadership of the New Democratic Party is the same in French.

General Noriega declared war against the United States. A U.S. citizen was killed by the general's forces and his wife was threatened. The United States intervened following this declaration of war, to protect American citizens living in Panama, and it did so legitimately, by virtue of an international treaty concluded many years ago.

But the New Democrats think there is something repugnant about this, even though the Secretary of State for External Affairs clearly said that this action was taken as a last resort—However, if after a declaration of war and the shooting of a foreign citizen, the leadership of the New Democratic Party still thinks the U.S. reaction is excessive, this government and this country will never be able to support her arguments or external policies.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I would like to clarify a point that the Prime Minister

is making. But first of all I would like to make it perfectly clear that on this side of the House we do not like Noriega.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

• (1440)

Mrs. Stewart: However, Canada has always supported the fundamental principle of non-intervention as enshrined in international law and the UN charter.

In response to questions regarding Canada's position on the invasion of Panama, the Secretary of State said intervention by force in Panama by U.S. forces is a dangerous precedent. My question is to the Prime Minister.

Do we or do we not support the principle of non-intervention without exception? If we make an exception for the U.S. now, how can we expect to be credible when, in the future, some other country invades a sovereign territory on the same pretext?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think it is quite vital on this important matter that the House recognize the unusual circumstances that exist in Panama.

There are some 12,000 Americans in Panama by right of treaty. Those people have been directly threatened by a declaration of war by General Noriega that was then followed up by the murder of one of those troops and threats against the wife of that person.

As a student of affairs in Latin America, the hon. member would know there have been extensive efforts made to try to resolve this question by negotiation. Those efforts failed.

When I spoke this morning to the President of Venezuela, he made the point that one of the reasons that this action occurred was because Venezuela, and for that matter Canada, and other nations involved in the Organization of American States who sought to resolve the problem by negotiation were unable to resolve it. It could not be resolved by that means.

We had a situation where there were Americans in Panama by right of treaty. They were threatened. War had been declared against them.

My statement was very clear. We believe that that kind of intervention creates a dangerous precedent. It should only be resorted to when all else fails and when the circumstances are unique. The circumstances were unique. All else had failed. In those circumstances we think it was a justified action for the President and the Government of the United States.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, the minister responds with his justification, good intentions for the U.S. invading Panama but can I remind him that the road to hell is paved with good intentions.

Canada is a new member of the OAS and has an important voice both in that forum and at the UN. Both organizations are convening emergency meetings today to address Panama. Will Canada make it clear that at these meetings we will abide by the principle of non-interventionism?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, at those meetings we will abide by the policy that has been enunciated by the Government of Canada today in the aftermath of those events and, indeed, by principles that have been enunciated by former governments of Canada.

Let me quote from *Hansard*, October 25, 1983, as reported at page 28311. The Right Hon. Pierre Elliott Trudeau responding to a question stated:

> —there were American nationals there. The United States was certainly entitled to attempt to protect those nationals.

That had to do with a situation where the nationals were not present by right of treaty, as they were present by right of treaty in the circumstances in Panama. That happened in a situation where there were not the extenuating circumstances of extensive attempts to try to resolve this situation by negotiation, extensive attempts that had failed.

A number of countries that are members of the Organization of American States have responded to these events. The Foreign Minister of Costa Rica earlier today said, as we had, that they regretted the actions but that they would not enter into condemnation. There are other members of the Organization of American States as, indeed, there are countries around the world that are not about to take this opportunity simply to condemn the United States perhaps for other reasons.

Mr. Speaker, if you want to look at a list of those whose reaction was simply unqualified condemnation of the United States in this case that list involves Libya, Nicaragua, Cuba, Iran, the New Democratic Party and the Liberal Party.

* * *

RESEARCH AND DEVELOPMENT

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of Finance.

This government's excessive, compulsive fixation with high interest rates is choking exports, it is stifling investment, it is driving up our deficit and it is costing Canadians jobs.

On top of all this, yesterday the Conference Board announced that Canadian industry plans a major cutback in research and development. Canadian business is losing confidence with this government's monetary policy. For Canadians high interest is not a level playing field, it is a quagmire of quicksand.

Will the minister admit to the House today that these cuts in R and D prove that his policy just does not work?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this government is very much aware of the importance of low interest rates. We ensured during the earlier part of the last Parliament that we would push very hard for low interest rates because we thought it was appropriate at the time. But we have seen in the last year and a half some upward inflationary pressures. Those pressures are still there.

If the hon. member wants us to ignore those pressures, then we will be right back to the late 1970s and early 1980s when we were in that huge recession which did such damage to the economy, to investment, and to research and development—all on a permanent basis.

An hon. Member: There is no comparison.

Mr. Wilson (Etobicoke Centre): Hon. members say there is no comparison. I would just like to remind them that in 1976, I think, the inflation rate was about 5.5 per cent, about what it is today. About four years later it was 13 per cent.

An hon. Member: Internationally.

Mr. Wilson (Etobicoke Centre): Internationally, he says. If hon. members want to look at what is happening in other countries, they will see that inflation is creeping up in a number of other countries. Interest rates in Japan have been moving up. Interest rates in Germany have been moving up. Interest rates in the U.K. have been moving up. So they are up in a number of countries in the world.

If we do not want to avoid this problem getting worse and prevent getting into a repeat of 1981–82, then we can follow exactly the course that the Liberal Party and the New Democratic Party want to follow which will lead us into inflation at much higher levels and cause a permanent loss of the competitive position that is so important to this country.

* * *

[*Translation*]

SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is also for the Minister of Finance. During the Finance Committee hearings, it was clearly shown that the GST will be an administrative nightmare for small business. My question is very simple: Why did the minister yesterday abandon small business when it will have difficulty collecting a consumption tax in Canada, which is the only country in the world to have 10 consumer tax systems? Why does the finance minister want to kill the entrepreneurial spirit of small business in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know where this hon. member has been. He has been in the House since 1984.

During that time he has seen the number of things that we have done for small business, to encourage the small business community. These have been systematically opposed by the Liberal Party. First, there was the $500,000 capital gains exemption. Second, there is the substantial increase in the small business loan authority. Third, there is the increase in the refundability of research and development credits that are there only for small business—again, a very strong encouragement to the small business community.

In this particular GST proposal we have brought in a number of measures, streamlined accounting, a low-income threshold for those who do not have to report and just two weeks ago tomorrow I met with—

Mr. Gagliano: Can you define what is "streamlined accounting"?

Mr. Wilson (Etobicoke Centre): The hon. member cannot keep his mouth shut while someone is speaking.

• (1450)

Mr. Speaker, it is a lot easier to hear if you keep your ears open and your mouth shut.

In addition to that, Canada has the lowest corporate income tax rates for small business. We reduced those in income tax reform in 1988.

The hon. member is shaking his head. These are all precise examples of how we have helped small business. If the hon. member keeps shaking his head he will not be able to hear anything and he will not be able to learn anything.

* * *

UNEMPLOYMENT INSURANCE ACT

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is for the Minister of Employment and Immigration.

The members of this House are aware of a bill passed in the other place yesterday concerning the unemployment insurance program. The deliberate delay of Bill C–21 by an appointed body is an unacceptable frustration of the democratic process.

This government has put forward changes which will make this country more competitive and will give unemployed Canadians better access to job training. All reasonable Canadians will see that this game must not continue.

Could the minister advise the House of how the government intends to respond to this legislation?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is the intention of the government to treat what has gone on in the other place as a frivolous and silly interference with the good policies of this government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mrs. McDougall: Let me point out to the hon. members opposite, including those who were on the legislative committee, that the members of the Senate committee are now studying Bill C–21. They are studying it one word at a time. We are not sure when they will finish.

The legislative committee heard 200 witnesses in four weeks. The committee in the other place has heard 15 witnesses in six weeks. This is not serious study as far as I am concerned.

What this bill that they have passed over there does is ignore all the other benefits, not just the variable entry requirements, but the benefits for older workers and the benefits for women. You hear the women over there all booing and hissing. What about the extension of maternity and adoption benefits?

Some hon. Members: Hear, hear!

Mrs. McDougall: For the rural areas of Canada, what about the fact that our bill does away with the penalty for seasonal workers who repeat on unemployment insurance? They are going to be penalized.

* * *

PANAMA

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker—

Mr. Crosbie: The Noriega lover is up.

Mr. Speaker: The hon. member for Winnipeg Transcona has the floor.

Mr. Blaikie: Mr. Speaker, the military action by the American government in Panama is a very serious matter. It is taken seriously by the Secretary of State for External Affairs, even if it is not by some of his back–benchers. It is taken seriously by the opposition.

It seems to me that there is a great deal of room for legitimate criticism of what the Americans have done and that is what we are engaged in here. It is not a question of anybody being a Noriega lover or any of the kind of heckling coming from members opposite.

No one approved of the Noriega regime. It is a question of whether the end, which we all shared in this case, the restoration of democracy in Panama, justified the means in this case.

We are suggesting that what the American government has done sets a dangerous precedent, as the minister himself said. We are asking the government, the Prime Minister or the Secretary of State, to say whether or not they appreciate the full extent of what the American government has done at a time when the other superpower has been relinquishing the view that what happens in geographical proximity to it gives it this arbitrary right to intervene. What happens to the overall relationship between east and west when the United

States seems to be going forward into the past and using the same sort of doctrine that it has been employing for decades in Central America?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I agree that it is an important issue. I agree that it is one that deserves to be examined with some care. As the Government of Canada said in our official statement, we are worried about the precedent. We think the precedent has to be very strictly contained.

The hon. member surely understands that it is inaccurate to describe this as an arbitrary action or, indeed, to make an equation with other things that might have been done by other countries in other places. What happened here had to do with a country in which the United States had 12,000 troops present by agreement, present by an international treaty. Those people were threatened by a deliberate declaration of war against their country that was then made more personal by the murder of one of those troops and threats posed against members of that person's family.

The other factor which the hon. member has followed with some care has been that the Organization of American States, and other organizations, over the last several months have been working extensively to try to find a peaceful resolution to this question. The Americans co-operated in that process.

As the President said early this morning, "There comes a time when enough is enough". They faced a situation where a declaration of war had been made against their citizens present in Panama under the protection and cover of international treaty. It was not an arbitrary act. We believe it does not create a precedent, but we certainly want to ensure that it is not seen as creating a precedent.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, when the Special Committee on the Peace Process in Central America was in Central America we found that people on both the left and the right of the political spectrum were very suspicious of the view that the Americans took of their own role in Panama. I would be very surprised if in the following days we do not see a similar concern expressed by member states of the OAS.

I think the Prime Minister and the Secretary of State are very mistaken if they think that Canadians do not share a general view of the way in which the Americans are very selective in their outrage about the deaths of Americans.

I ask the Secretary of State for External Affairs if he recalls, for instance, the death of four American nuns at the hands of the regime in El Salvador, which did not provoke the same kind of outrage, did not provoke the same kind of military action. The problem here is that the rhetoric which surrounds the American invasion in this case is rhetoric which is not lived up to in many other circumstances.

I ask the Secretary of State for External Affairs this. Is he at least prepared to acknowledge that there are many other instances in which regimes attack Americans, attack their own people, attack their clergy, attack their human rights activists and yet Washington does nothing? If he would at least acknowledge the hypocrisy of American rhetoric in this case, he might have more credibility with the American people.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member is well acquainted with the revolutionary changes that have been brought to eastern Europe and the Soviet Union, by the determination of Mr. Gorbachev, very eloquently, very persuasively, to encourage people to turn to new thinking and not to be the captives of old images of a former time.

We have had this discussion before. I suggest to the hon. member that it is time for him to put some of his prejudices against the United States aside, to judge what is done on the basis of the circumstances in a particular case. He should indulge in a little new thinking.

* * *

• (1500)

UNEMPLOYMENT INSURANCE ACT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Prime Minister. Bill S-12 which was passed by the Senate yesterday would extend

the qualification period for unemployment insurance for 10 weeks into 1990 in those areas of the country where there is high unemployment.

This bill, S–12, is virtually the same as the Conservative government's bill which it introduced and passed in 1984, 1985, 1986, 1987 and 1988. The Official Opposition is ready to give unanimous consent to pass this bill today without any debate.

Earlier this week the Prime Minister said that he did not want to hurt the unemployed in the high unemployment regions of this country. Will he agree to pass this bill today without any debate, immediately, and we will give our co–operation.

Some hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is the hon. member and his colleagues in the other place who are hurting the people who are unemployed in this country. It is not 1984, 1985, 1986, 1987 or 1988. It is 1989. It is time to make some changes in this country. It is going to be better for workers across Canada in the future. It is going to give them jobs for the 1990s. It will do away with the repeater provisions for seasonal workers. It is going to help women with maternity benefits and sickness benefits at the same time.

If the hon. member would take his head out of the sand, we could get somewhere on this.

Some hon. Members: Hear, hear!

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, the government knows that Bill C–21 is not the answer. Bill C–21 cuts $1.3 billion from the unemployment insurance benefits. Bill C–21 terminates the government's contribution to the unemployment insurance fund which last year was $2.8 billion. Bill C–21 is not the answer to the unemployed. Over 200 witnesses—

Mr. Speaker: Given the time, I ask the member to put his question.

Mr. Allmand: Mr. Speaker, over 200 witnesses want to be heard on this bill in the Senate.

Some hon. Members: Oh, oh!

Mr. Allmand: My question is the following: If the government is sincere in not wanting to hurt the unemployed, will it not agree to pass Bill C–12 today? We will give it our full co–operation.

Some hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the hon. member is saying that Bill C–21 which was very thoughtfully put together by this government and very thoughtfully developed as a policy for the 1980s—

Mr. Wappell: We are going into the 1990s.

Mrs. McDougall: It had hearings across the country and heard 200 interventions in four weeks. What the hon. member is now saying is that that which solves the problem is not good for them. It is their fault that the people are going to have 14 weeks instead of 10 weeks.

Some hon. Members: Hear, hear!

* * *

PROPOSED GOODS AND SERVICES TAX

Mrs. Diane Marleau (Sudbury): Mr. Speaker, on December 11 the Minister of Finance stated: "I think I understand the tax". He may understand how the tax is constructed, but he does not understand how Canadians will be penalized by it.

The minister has been convinced by his own propaganda. All Canadians will pay more. They will pay a tax on distance and on transportation costs. They will even pay a tax on heating costs.

Some hon. Members: Question.

Ms. Marleau: Absolutely nothing in the proposed changes addresses the regional impact of the GST. Why has the minister once again ignored the needs of Canadians? Why has the minister again ignored the needs of the regions of this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not ignoring the needs of the regions of this country. That is one of the key benefits of the goods and services tax. Over–all, the regions of the country are the major beneficiaries.

If she looks at the economic data that is in the technical paper she will see that in those regions of the country where they have resource development, major capital intensive industries or industries that are export–oriented, similar to the industries in her home town, they

are the ones that will benefit from this because the tax is removed from exports. It improves the ability of new mines to be opened. It will ensure that old mines which might be closed are kept open a little bit longer to allow for them to continue employing people in her own backyard.

* * *

UNEMPLOYMENT INSURANCE ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Prime Minister. I think it is safe to say that the people, particularly the unemployed in Atlantic Canada, are not interested in the spitting match between this place and the Senate. They are not interested in the lover's quarrel between the Conservatives in the government and the Liberals in the Senate. What they are really interested in is being able to collect their unemployment insurance benefits under the variable entrance requirements.

The unemployed in the Atlantic are not statistics. They cannot be played with in politics. They are human beings, flesh and blood and bones.

Why are you using the Liberals to play politics on the backs of working class people who are unemployed? Why do you not extend the variable entrance requirements now?

Some hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, if there are any lovers in this House, it is between the two parties on the other side.

Let me just say that in terms of the workers of Canada, the workers of Canada deserve better than an old-fashioned unemployment insurance bill which does not help them prepare for the future. What they deserve is training money. What they deserve is the repeal of the repeater's provision. What they deserve are sickness benefits, along with maternity provisions, all that and the variable entrance requirements. The variable entrance requirements in our bill are much more sensitive to the workers in his region than is this bill. I will wait for my bill, thank you.

Some hon. Members: Hear, hear!

• (1510)

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I simply wanted to respond to a point of order that was raised by the member for Lambton—Middlesex, as reported at page 7060 of *Hansard* for December 18. He was asking Your Honour to make a decision about withdrawing a remark that I made when I indicated that he was misleading when he suggested that the projected drop in farm income was the deliberate result of government policy. I indicated that that was not the case. I used the word "misleading". I did not use the words "intentionally misleading", which I know is unparliamentary.

He also indicated that the government was responsible for the drop in the price of grain since we came into office. I indicated to him at that time that we were concerned about the drop in incomes in 1990, that we had a process in place to review some of the existing policies, that we were monitoring the situation, and that if there was need for interim assistance as the situation unfolded we would be prepared, as we were in previous years, to look at the situation.

The government has no control over the price of commodities established in the international marketplace nor do we have any significant control over rainfall. Under these conditions we always monitor the situation and respond. I would simply say, in response to your indication that you wanted assurance that implicit in my answer was not the intention to accuse the member of deliberately misleading, that that was not the intention. I used the word "mislead". I think it is parliamentary. I did not use the words "intentionally misleading", therefore I do not believe it would be appropriate to have the word withdrawn.

Mr. Speaker: I thank the hon. minister. I shall consider it and report back to the House if appropriate.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

TABLING OF REPORT OF OFFICIAL VISIT OF PARLIAMENTARY DELEGATION TO MOROCCO AND PORTUGAL

Mr. Marcel Danis (Verchères): Pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the official visit of a parliamentary delegation to Morocco from November 12 to 18 and to Portugal from November 19 to 21, 1989.

* * *

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS – FOURTH REPORT OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Public Accounts and in doing so, with your permission, Mr. Speaker, I would like to make the following remarks about this report.

The public accounts committee today tables a report dealing with a serious problem in the management of the tax system. Substantial losses in revenues—$2.4 billion from the federal sales tax—have been incurred because of a tax avoidance procedure involving marketing companies.

The problem has become much more serious since 1986 when a court decision struck down earlier applicable tax rulings which had limited the avoidance activity. The committee pointed out that the leakage of taxes was and is continuing.

Although two complex proposals were developed by the Department of Finance to deal with the problem, neither proposal was implemented. The committee noted the effects of tax avoidance on the integrity, equity and effectiveness of the tax system and recommended that the government act expeditiously to deal with tax avoidance problems.

Other key recommendations in this report call upon the Department of Finance to monitor tax avoidance closely and to develop quickly workable remedial measures based on a careful analysis of costs and benefits.

The Minister of Finance has been requested to respond to the committee's recommendation by March 31, 1990.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF 28TH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the 28th report of the Striking Committee.

[*English*]

EXTERNAL AFFAIRS – SECOND REPORT OF STANDING COMMITTEE

Hon. John Bosley (Don Valley West): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee of External Affairs and International Trade regretting and condemning the death threats received recently by the family of Miss Karen Ridd, condemning in the strongest possible language we can muster the introduction of death squad activities exported from El Salvador to this country, and requesting immediate government intervention in this matter and a report to the House.

NATIONAL DEFENCE AND VETERANS AFFAIRS – INTERIM REPORT

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am pleased to table, in both official languages, an interim report from the Standing Committee on National Defence and Veterans Affairs.

This interim report is aimed at ensuring Canada's Armed Forces have the ability to monitor and to respond to threats to our maritime sovereignty. Although tensions between east and west have subsided dramatically in recent months, it should be borne in mind that Warsaw treaty nations retain a formidable military capacity and that Canada remains committed to collective security with our North American ally and with other members of NATO.

Just as important, our Armed Forces are essential to protect against contemporary and increasing threats to Canada's sovereignty. We must defend against the traffic in illegal drugs that weaken the fabric of our nation. We must assure the security of our fisheries and other ocean resources. Canada must protect against foreign and domestic polluters who disregard Canadian environmental regulations and we must have a capacity to defend Canada from illegal immigrants.

We should note and be prepared for the fact that most international terrorists are trained in military procedures and use military equipment. Canada must always have a capacity to undertake surveillance of these activities and respond in the name of sovereignty.

Some of these challenges are new. Nevertheless they threaten our sovereignty and Canada must have a capacity to respond effectively.

To counter these threats and others that may emerge in the future the committee believes that Canada should have the capacity to monitor and react to incidents on our coasts, not just with surface ships and helicopters now being acquired, but also with underwater detection capability and a sufficient number of maritime patrol aircraft to provide adequate coverage to our vast ocean territories, the world's longest national coastline.

The committee firmly believes that the dedicated men and women of our Armed Forces should have the tools to do the job Canadians expect of them, protecting our national sovereignty, thereby securing our future which is an essential role of our Canadian Armed Forces.

Finally, all members of the committee—

Mr. Speaker: I think the hon. member has certainly made the point that the committee wished to make, and probably has said it in a longer way than is usually needed in the House.

[*Translation*]

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE ON MULTICULTURALISM AND CITIZENSHIP

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I have the honour to table, in both official languages, the first report of the Standing Committee on Multiculturalism and Citizenship concerning the 1991 census.

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE

Mr. Jean-Pierre Hogue (Outremont): I also have the honour to table, in both official languages, the second report of the Standing Committee on Communications and Culture.

The committee's unanimous report recommends adopting legislation on the status of the artist. The legislation would give associations of performing artists such as ACTRA, Actor's Equity and the Union des artistes the right to negotiate collective agreements on behalf of their members.

This report was prepared by the Sub-Committee on the Status of the Artist which I have the honour of chairing. I would also like to take this opportunity, Mr. Speaker, to thank all members of the sub-committee and those of the standing committee for their totally nonpartisan co-operation. I would also like to include the staff by whom we were so well seconded.

[*English*]

The committee requests that the government provide a comprehensive response to this report in accordance with the provisions of Standing Order 109.

Mr. Dorin: Mr. Speaker, I rise on a point of order in response to remarks made a moment ago by the chairman of the public accounts committee in presenting his report. He suggested that two complicated solutions had been put forward and not been acted upon by the government. In fact, Mr. Speaker, the reason they were not acted upon is that another committee of this House, the finance committee, found them to be unworkable and reported that back to the House and that view was shared by all three parties and it is a misleading—

Mr. Speaker: I am not so sure that is a point of order.

YOUNG OFFENDERS ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-58, an act to amend the Young Offenders Act and the Criminal Code.

Mr. Speaker: Shall the hon. minister have leave to introduce the said bill?

Some hon. Members: Agreed.

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

* * *

• (1520)

BRITISH COLUMBIA COURTS AMENDMENT ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-59, an act to amend various acts to give effect to the reconstitution of the courts in British Columbia.

Mr. Speaker: Shall the hon. minister have leave to introduce the said bill?

Some hon. Members: Agreed.

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

* * *

[*Translation*]

ONTARIO COURTS AMENDMENT ACT, 1989

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons) moved for leave to introduce Bill C-60, an act to amend various acts to give effect to the reconstitution of the courts in Ontario and to provide for other related matters.

Mr. Speaker: Shall the hon. minister have leave to introduce the bill?

Some hon. Members: Agreed.

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

DIVORCE ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons) moved for leave to introduce Bill C-61, an Act to amend the Divorce Act (barriers to religious remarriage).

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some hon. Members: Agreed.

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

* * *

[*English*]

FISHERIES ACT

MEASURE TO AMEND

Mr. David D. Stupich (Nanaimo—Cowichan) moved for leave to introduce Bill C-280, an Act to amend the Fisheries Act (drift-net fishing).

Mr. Speaker: Shall the hon. member have leave to introduce the said bill?

Some hon. Members: Agreed.

Mr. Stupich: Mr. Speaker, this bill asks the government to consider entering into negotiations with the international community to bring it to enter into an agreement prohibiting drift-net fishing in international waters and to impose sanctions against any country which refuses to enter into such an agreement.

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

Mr. Speaker: First reading of Senate Public Bills.

* * *

POINT OF ORDER

Mr. Lewis: Mr. Speaker, on a point of order I wish to advise the House that the government will be voting against first reading of this bill. It offends Section 54 of the Constitution Act, 1867. The Standing Orders state that:

> The House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue that has not

been first recommended to the House by a message for the Governor General, that is, a royal recommendation.

Mr. Allmand: Mr. Speaker, on the same point of order. I think that I should have had the opportunity in the first place to move the first reading of the bill as you called it on the Order Paper.

I would so move first reading of Senate Public Bill S-12.

In response to the minister's statement, if you wish to hear argument, there is considerable argument that the Senate, as the House of Lords in England, can introduce such bills. They were in fact introduced under previous Conservative governments under the government of the right hon. member for Yellowhead. The hon. Senator Flynn introduced a similar type of bill and in the 1920s when the Meighen government was in power similar bills were introduced.

We put to the House Bill S-12 as sent to this House by the Senate which will extend the variable entrance requirements for unemployment insurance in high unemployment regions.

Mr. Speaker: The hon. member for Notre-Dame-de-Grace has made a point of order. I shall proceed with that, of course. The Speaker is in a position where I recognized the Minister of Justice who made a statement, not an argument.

I now must put the motion by the member for Notre-Dame-de-Grace to the House.

* * *

UNEMPLOYMENT INSURANCE ACT

MEASURE TO AMEND

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved that Bill S-12, to amend the Unemployment Insurance Act, be read the first time.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five members having risen:

Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 166*)

YEAS

Members

Allmand	Anawak
Angus	Assad
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Bélair
Bellemare	Berger
Bevilacqua	Black
Blaikie	Boudria
Butland	Campbell (South West Nova)
Catterall	Clancy
Crawford	de Jong
Duhamel	Ferguson
Finestone	Fisher
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Harb
Harvard	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Jordan	Kaplan
Keyes	Kilger (Stormont—Dundas)
Kristiansen	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	MacLaren
MacWilliam	Manley
Marleau	Martin (Lasalle—Émard)
McCurdy	Mifflin
Milliken	Murphy
Nault	Nystrom
Pagtakhan	Parker
Peterson	Phinney
Proud	Prud'homme
Rideout	Riis
Robichaud	Rodriguez
Samson	Simmons
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Tobin
Vanclief	Volpe
Walker	Wappel
Whittaker	Wood
Young (Gloucester)—87	

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bouchard (Roberval)
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford

Cole	Collins
Cook	Cooper
Côté	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Ferland
Fontaine	Fretz
Friesen	Gérin
Gibeau	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Horning
Hudon	Hughes
Jacques	James
Jelinek	Jourdenais
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Nicholson
Nowlan	Oberle
O'Kurley	Paproski
Plamondon	Plourde
Porter	Pronovost
Redway	Reid
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—131

• (1610)

Mr. Speaker: I declare the motion lost.

* * *

EXTERNAL AFFAIRS

SITUATION IN ROMANIA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there have been consultations among the parties and I think you would find that there is unanimous agreement for the approval of the following motion which I would move, seconded by my colleagues from Northumberland and Winnipeg Transcona:

That this House, noting that:

—authorities in Romania have directed their armed forces and police to attack the unarmed civilian population of Timisoara in contravention of all humane principles of conduct,

—the citizens of Timisoara were peacefully advocating democratic principles and human freedoms, as is the right of all peoples of the world and

—hundreds of citizens of Timisoara have been killed and injured as a result of the immoral attack,

unequivocally condemns this brutal use of force against the population of Timisoara and other Romanian communities and calls upon the authorities of Romania to cease this senseless killing and violence and to begin to respect the human rights of all its citizens.

[*Translation*]

These immoral attacks have killed and injured hundreds of people.

It unanimously condemn the excessive force used against the people of Timisoara and other Romanian communities.

It insist that the Government of Romania stop this massacre and this senseless violence immediately and that it respect the rights and freedoms of all its citizens.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I would like to just add to the words of my colleague across the floor in the condemnation of Romania for its actions in that country of late, particularly as against the citizens of Timisoara.

Canada has had trade relations with Romania in the past. I think that these trade relations must be reassessed in light of what is happening to these people. Romania has signed a human rights convention with the Community of Economic and Development Co-operation in Europe but has taken every opportunity to personally abstain from abiding by the convention which it has signed.

I think that this government, and we as a nation, should do everything we can to approach the governments of the region in a bilateral fashion including trying ourselves to negotiate with the Government of Romania to try to bring to its attention that we disapprove of what it has perpetrated against its own people and that we ask it to change its ways.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, last night, members of all three parties had an opportunity to participate in a vigil held outside the unfinished human rights monument in front of the courthouse on Elgin Street. At that time we had an opportunity to meet

with members of the Hungarian community here in Canada. One of the things they very strongly desired was that the House of Commons might find a way to express unanimously its condemnation of the actions of the Romanian Government, and I am very happy that the House has been able to do this. I hope that it has the desired effect on the Romanian government.

Mr. Speaker: Does the hon. Minister have the unanimous consent of the House to move the motion?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I believe you will also find consent for the following motion as there has been discussion among the three parties. I move:

That, immediately following the vote on Bill C-28, the Right Hon. Secretary of State will make a statement concerning events in Panama and that his statement shall be followed by one speaker from the Liberals and one speaker from the NDP; that both speakers from these two parties will be given adequate time to respond to the statement and will not be restricted by the usual restrictions which apply to ministerial statements;

and that, following these three statements, the following adjournment motion will be deemed adopted:

That, when the House adjourns today it stand adjourned until one o'clock p.m. on Monday, January 22, 1990, provided that the Speaker may recall the House at anytime before that date for the sole purpose of Royal Assent; and

that, the number of allotted days in the period ending not later than March 26, 1990, be reduced from nine to eight; and

that, the mid-winter break week for 1990, when the House will not sit, be from the time of adjournment on Friday, February 23 to one o'clock p.m. on Monday, March 5, 1990.

Mr. Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Cooper: Mr. Speaker, I apologize to the House. If I could ask consent, there is a further motion regarding the sitting hours for Mondays. Unfortunately, the House leader has that motion with him and I do not have a copy. If we could have consent later in the afternoon to come back to that, I would be happy to move the motion at that time.

Mr. Gauthier: Mr. Speaker, I would like to draw to the attention of the House that the motion that we adopted to adjourn the House later this day states that when the House adjourns today, it stands adjourned until 1 p.m. Monday, January 22, 1990. I take it that the House knew what it was doing then and that we would not have to come back and do anything else but comply with the adopted motion as agreed.

Mr. Cooper: Mr. Speaker, I am sorry. The motion as I read it was passed to the table officers. I do not have a copy in front of me to verify the wording. Of course, what we were looking for was to come back at the usual time on Monday, January 22, 1990, for the usual procedures.

• (1620)

Mr. Cooper: Mr. Speaker, I apologize for the confusion. It may have something to do with the Christmas recess that seems to be coming upon us and certainly has come upon me.

It may help if I also move the following motion:

That, effective on the first Monday the House sits in January, 1990 and on each subsequent Monday until further Order, the hours of sitting and the arrangement of business for Mondays be as follows:

1) The House to sit at 1.00 p.m., with Private Members' Business following Prayers, until 2.00 p.m.;

2) Statements by Members at 2.00 p.m.;

3) Oral Questions at 2.15 p.m.;

4) Routine Proceedings at 3.00 p.m., followed by Government Orders until 7.00 p.m.;

5) Adjournment Proceedings at 7.00 p.m.; and

That the appropriate changes be made to the next printing of the Standing Orders by the Speaker and the Clerk.

I believe that takes care of all of it.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the terms of the motion. Is there agreement to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

SOCIAL PROGRAMS

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise to present a petition with some 100 names. This petition, however, represents petitions with some 25,000 names from all parts of Canada collected by the National Pensioners and Senior Citizens Federation. Once these other petitions are certified, they will also be tabled.

The petition I am presenting today, like these other petitions, calls upon the government to abandon its clawback of the old age pension and the family allowance and I hope the government will listen to this plea of tens of thousands of Canadians.

VIA RAIL

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition here from many people throughout the Ottawa valley who protest the removal of the train travelling from Montreal through Ottawa to Arnprior, Pembroke, Petawawa, Chalk River, North Bay and on through to western Canada because this train has been proven to be widely used. In some cases passengers have been put in the bar car because there were no seats left, and the Prime Minister said use it or lose it. These people are saying that the service is being used and that it should be kept on and they want this passenger service to continue. They are very upset and they also feel that when VIA Rail is phoned for reservations it is not giving the truth to the Canadian public. VIA Rail is saying that the train is overbooked and it is turning down bookings, then it turns around and says the service is not being used. As a result, the train is being taken off as of January 15. I strongly protest on the petitioners behalf the removal of this train and I strongly protest the kind of information that VIA Rail is giving out to potential customers—

Mr. Speaker: I am sure the hon. member has made his point.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also rise under Standing Order 36 to present petitions on behalf of a number of people, well over 200, from the lower mainland of British Columbia, New Westminster, Burnaby and Surrey.

These petitioners are upset about the cuts in VIA passenger rail service and they say that passenger rail service is essential for many Canadians and has been a part of Canada for well over 100 years.

They feel that these cuts will result in serious reductions in the passenger rail service and threaten maintenance, safety and jobs. They are asking this Parliament to maintain the existing VIA network, to upgrade the VIA equipment and to guarantee VIA sufficient support to carry out its real mandate to provide passenger service for Canadians on trains.

PROPOSED GOODS AND SERVICES TAX

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today pursuant to Standing Order 36 to present a petition on behalf of the constituents in my riding of Lambton—Middlesex, particularly constituents in the Park Hill and Nelson Craig area, who humbly pray and call upon Parliament to reject the goods and services tax.

I also have two more petitions from people from other parts of Ontario that I wish to table at the same time.

POLLUTION

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured once again to rise in the House pursuant to Standing Order 36 to present a petition on behalf of several hundred Chippewa and Patawanamee natives of the First Nation and other residents of Kent who are agonizing over the government's blatant disregard for their rights. I call upon Parliament to fulfil its responsibilities to hundreds of thousands of Canadians and Americans living along Lake St. Clair and stop the dredging off Seaway Island and dumping the potentially hazardous sediment into the open waters of Lake St. Clair pending the findings of a full and public environmental hearing.

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise today as I have many times before with a petition given to me by a number of farmers from the province of Saskatchewan who are concerned about the removal of oats from the Canadian Wheat Board by this government. They feel that there was not prior consultation with the Canadian Wheat Board Advisory Committee or major farm organizations in western Canada. They feel that farm marketing boards are essential to the orderly marketing of farm products in this country and

should not be weakened but be strengthened. They call upon this government to replace oats under the Canadian Wheat Board and to give oats and barley the same protection that wheat has under the Canadian Wheat Board Act.

PROPOSED GOODS AND SERVICES TAX

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a pleasure for me to stand before this House today. Pursuant to Standing Order 36, I have before me quite a number of petitions signed, and for the sake of saving time, I shall not present them one at a time. I will present them as a lot.

There are some 3,305 signatures from the residents of my riding of Timmins—Chapleau who are absolutely appalled at the government's proposal for this goods and services tax. They are asking that the government reconsider this goods and services tax and abolish it; to go back to the drawing board and start again, not lower it, as was proposed by the government, but to scrap it and start over again. The message from the constituents of Timmins—Chapleau is very clear. They are saying, "Ebenezer Wilson, it is not too late, change the tax".

[*Translation*]

OPPOSITION TO RECOMMENDATIONS OF TASK FORCE ON TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I am today tabling three petitions which reject the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas. The signers, from the isolated community of Lebel-sur-Quévillon in Abitibi, are concerned about the recommendations of this as yet unfinished report.

Mr. Speaker, the final report of this task force makes no mention of the Cree-Naskapi James Bay and Northern Quebec Agreement and the final report on regional disparities of isolated posts made by the Government of Quebec in October 1989.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, today I have the privilege and duty to present petitions signed by over 11,000 residents of Hamilton Mountain adding to the total of more than 20,000 from Hamilton Mountain that we have already presented.

These petitioners have spoken out overwhelmingly against the proposed goods and services tax. They believe that the tax is unfair, that is places an unnecessary additional burden on low and middle-income Canadians. These petitioners humbly pray and call upon this House to reject the goods and services tax proposal.

CFB LONDON

Mr. Joe Fontana (London East): Mr. Speaker, tomorrow the First Royal Canadian Regiment celebrates its one hundred and sixth regimental birthday. CFB London has been the home of the first RCR for 106 years. It has been an integral part of not only this country but our municipality for 106 years.

The petition is from some 5,000 people from all ridings in London. This is in addition to the 7,000 who have already petitioned this government to change its mind with respect to moving one RCR and closing CFB London. The costs have moved from $30 million to $110 million to essentially move those troops and I suggest that the government rescind its action.

• (1630)

VIA RAIL

Mr. Joe Fontana (London East): Mr. Speaker, I have a second petition with some 5,000 names from people throughout southwestern Ontario, in addition to the 10,000 I previously submitted from London and southwestern Ontario, calling on the government to rescind its actions with respect to the cutbacks on VIA Rail which will be initiated and instituted on January 15, 1990.

PROPOSED GOODS AND SERVICES TAX

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present 93 petitions containing the names of 2,675 residents of Stormont—Dundas who oppose the Conservative government's goods and services tax.

They believe that the GST is totally unacceptable as it would cause serious and unfair hardship for low and middle-income Canadians and create an onerous burden for small businesses in Canada.

The petitioners therefore call upon this House to reject this tax.

[*Translation*]

Mr. Speaker, I wish to table ten petitions containing the names of 300 residents of Stormont—Dundas who are opposed to the GST because it unfairly hits popular and affordable recreational sports in Canada. They believe that taxing participatory sports is a basic mistake because it places an unfair burden on working men and women, seniors, young people and the disabled who participate in recreational sports on limited incomes. They therefore urge the House to reject this insidious tax.

[*English*]

VIA RAIL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, pursuant to the provisions of Standing Order 36, considering that this is the last opportunity to address this matter in the House of Commons before the closure of the VIA Canadian line on January 15, I am pleased to present the last in a series of petitions. These two petitions, signed by 108 constituents from the city of Revelstoke in British Columbia, point out that the city of Revelstoke will become a truly isolated community should VIA Rail passenger service be discontinued because the Trans-Canada Highway experiences winter closures due to avalanches and there is no scheduled to air service to the community.

They further point out that this discontinuance of rail passenger service will put more vehicles on the Trans-Canada Highway through the Rogers Pass. The highway is already close to capacity in the summer months and will require twinning at great expense to the people of Canada.

They also point out that the discontinuance of rail passenger service will put more vehicles on the highways passing through Glacier and Mount Revelstoke National Parks causing greater environmental damage to these ecological reserves.

Finally, they ask Parliament to proceed in such a way that passenger service will not be discontinued through this community and, before any such service cut takes place, that public hearings be held across Canada to investigate ways in which passenger rail service can be preserved and enhanced throughout the country.

PROPOSED GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present, on behalf of a number of citizens, ten petitions signed by citizens of my riding of Saskatoon—Humboldt and the riding of my colleague from Saskatchewan, the Minister of National Defence.

These citizens call upon the government to reject the current proposal for a goods and services tax and to reform the taxation system to make sure that it is a system which is not regressive and does not harm the ordinary Canadian.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my pleasure and honour, pursuant to Standing Order 36, to present a petition that is signed by about 200 residents from such places as Ottawa, Nepean, Sault Ste. Marie, Richmond, Kanata and Calabogie. These people are concerned with the proposal to discontinue so much of the service of VIA Rail which will injure small towns, youth and senior citizens.

They therefore ask Parliament to reject any proposed reductions or eliminations of VIA Rail, to modernize the existing equipment and to build a high-speed passenger train between Montreal and Windsor.

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from 100 residents of Toronto and Vancouver concerning the low-level flights being conducted in eastern Quebec and Labrador and the proposal for a NATO-NORAD base there. They ask Parliament to join with the Assembly of First Nations, the Innu of Labrador and other aboriginal peoples of northern Canada in opposing the use of their lands for NATO-NORAD attack training.

They demand that the low level flight training cease and that the government cease to ask for a NATO base in Labrador and that the funding for the Canada's NATO-NORAD operations be redirected to enable Canada's aboriginal peoples to regain control of their lands and their livelihood and for promoting sustainable development for all Canadians.

NORTHERN BENEFITS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have the honour and privilege today to present a large number of petitions—so large that I can

hardly hold them—from residents of my constituency, all of which I want to draw to the particular attention of the Minister of Finance.

The petitions are signed by 1,763 residents of this area, including the communities of Beauval, Dorintosh, Goodsoil, Loon Lake, Makwa, Pierceland and Rapid View. Included in that number are 1,137 residents from the community of Meadow Lake alone.

The petitioners note that the report of the task force on tax benefits for northern and isolated areas fails to recognize the higher cost of living affecting residents in these northern designated areas and, therefore, call upon Parliament to reject the recommendations of the task force on northern benefits and call on the minister to develop a fair and equitable tax benefit program recognizing the financial needs of people in northern and isolated areas.

PROPOSED GOODS AND SERVICES TAX

Mr. John Manley (Ottawa South): Mr. Speaker, I have the honour and duty to present a large number of petitions on two subjects this afternoon. First of all, I have 1,445 signatures of people from the Ottawa area, mostly from my riding of Ottawa South, objecting to the imposition of the goods and services tax as proposed by the minister at 9 per cent, and even at 7 per cent.

SOCIAL PROGRAMS

Mr. John Manley (Ottawa South): In addition, I have a collection of petitions from residents of Canada from places as disparate as Regina, Yorkton, Moncton, Prince Albert, Creston, British Columbia, Kitchener, Kingston, Winnipeg and Windsor, all objecting to the pernicious clawback tax on family allowances and old age pensions.

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure today to rise, pursuant to Standing Order 36, to present eight petitions containing 287 signatures of residents of the Similkameen Valley and the boundary area of the riding of Okanagan—Similkameen—Merritt. In addition, I wish to present a further 658 names from throughout British Columbia, from Edmonton and from Saskatchewan. These people are petitioning Parliament to reject the proposed goods and services tax and to bring in a tax fair and equitable tax Canadians.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have the honour and privilege, under Standing Order 36, to present petitions from 54 residents of Elliston. The first signature is, I believe, that of the mayor of that town. The residents of Elliston are very, very concerned about the effect of the goods and services tax. They note that the government, in saying it is going to replace the manufacturers' sales tax, has raised it from 9 per cent to 13.5 per cent in its time in power. They are also cognizant of the other hardships imposed upon them as a community and as Newfoundlanders as a result of other measures taken by this government.

They humbly pray and call upon Parliament to please reject this proposed goods and services tax at any percentage, nine or seven. They want it at zero.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too rise pursuant to Standing order 36 to present a petition on behalf of a number of British Columbians. I wish I did not have to present this petition. I was hoping that the government would have announced before Christmas that it planned to abandon the goods and services tax. But, alas, it has not. So I must read the petition and hope for more sense in the new year.

The petitioners draw to the attention of the government a list of reasons why they believe the goods and services tax is a cruel and mean tax that discriminates against low-income families and against those people living in western Canada due to the tremendous cost of transportation. They are asking the government to reconsider proceeding with the goods and services tax.

* * *

• (1640)

POINT OF ORDER

LOSS OF FAMILY ALLOWANCE CHEQUES

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to raise the fact that in Swift Current, Saskatchewan, a mailbag containing family allowance cheques was lost today. People are being asked to reapply for those cheques. I would like to ask the parliamentary secretary to the government House leader if he could look into the matter and see if there is something that can be done for those many families who

are going without those cheques before Christmas. Many of those families are dependant on those cheques to make their Christmas.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I would like to thank the hon. member for her representation. I can assure her I will bring it to the department's attention and to the minister's attention to see what can be done, taking into consideration the Christmas spirit and the concerns that I am sure all members and these families will feel.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today; Nos. 130, 143, 158, 172 and 173.

[*Text*]

SUPPLY OF RADIATION EQUIPMENT OR MATERIALS TO DELMED, IN EL SALVADOR

Question No. 130—**Mr. Caccia**

1. Has Nordion International or its corporate predecessor supplied radiation equipment or materials to Delmed, a company located in El Salvador and, if so (a) what (i) kinds (ii) quantities (b) on what dates (c) has Nordion International monitored, inspected or serviced this equipment or material and, if so, (i) on what dates (ii) what is done on such occasions?

2. Is the government aware of any accidents at Delmed involving radioactive material and, if so (a) on what dates did the accidents occur (b) what happened at each event?

3. Has Nordion International accepted any legal or contractual responsibility for the safe operation of equipment it sells to foreign operations?

Right Hon. Joe Clark (Secretary of State for External Affairs): In 1975, the predecessor to Nordion International Inc., Commercial Products Division, Atomic Energy of Canada Limited, supplied a Cobalt-60 medical products sterilizer to a firm in El Salvador. The present owner is Delmed SA. An equipment failure in 1975 resulted in the supplier returning to repair the facility. No injuries or radiation exposures occurred. Normal procedure is for the owner to request the Cobalt-60 source to be renewed every few year, at which time Nordion checks and refurbishes the equipment where needed. The civil war in El Salvador prevented this. Nordion did keep up telephone contacts with Delmed over the years and issued them product bulletins as they were produced. The Government is aware of an accident at Delmed on February 5, 1989 in which the radioactive source became jammed. Three Delmed staff members entered the irradiator contrary to all procedures. To do so, they had to override safety features and systems. The operators in fact, had modified the plant so the built-in safety features did not prevent their entry. They received serious radiation over-exposure resulting in one death and the serious illness of two others. Nordion was called on February 10 and rendered the plant inoperable. Immediately upon learning of the injury to the operators, Nordion notified the appropriate authorities. The safe operation of the facility is the responsibility of the operator subject to any applicable governmental requirements in El Salvador. Canada has no authority over the plant or its operation. There is no fault or liability to Nordion, which has acted as responsible supplier throughout the history of the plant and the incident.

ADMINISTRATION OF THE PROPOSED GOODS AND SERVICES TAX

Question No. 143—**Mr. Boudria:**

At the present time, in the National Capital Region, is the government leasing any office space for the administration of the proposed goods and services tax and, if so (a) what is the number of square metres leased by each government department (b) for each building containing such space (i) what is the address (ii) what is the number of square metres leased (iii) what is the cost of leasing the space (c) what is the total estimated cost of preparing the spaces for occupancy, including (i) design and building improvements (ii) installation of furniture and office equipment, including any computers purchased, leased or rented (iii) any other expense incurred?

Hon. Otto John Jelinek (Minister of National Revenue):

Taxation

No, at the present time Public Works Canada is not leasing any space on behalf of Revenue Canada Taxation for the administration of the proposed goods and services tax in the National Capital Region.

ACCOMMODATION COSTS

RE: PLANNING FOR THE ADMINISTRATION OF THE PROPOSED GOODS AND SERVICES TAX (NATIONAL CAPITAL REGION)

Yes, the government is leasing limited office space in the National Capital Region to be used in planning for the administration of the proposed goods and services tax. (This space also conforms to a long-range plan to consolidate excise offices, currently located in five sites throughout the city.)

a) Public Works Canada has leased for Customs and Excise 11,447 M2 which is currently being prepared for occupancy starting in January 1990. Temporary accommodation has been provided through short-term leases and previously leased space.

b) i) All the space is located in the Place Vanier Office Complex at 25 McArthur Avenue, Vanier, Ontario.

ii) 11,447 M2.

iii) Annual rental cost of the leased space is $2,209,271 (subject to final confirmation upon occupancy).

c) i) Design and construction contracts awarded by Public Works Canada total approximately $1,542,381 (including approximately $192,341 funded by Revenue Canada, Customs and Excise for data cabling installations). PWC estimates that it will incur additional costs of approximately $1,855,960 (excludes Customs and Excise telecommunications costs, furniture, equipment, etc.).

ii) Estimated costs for furniture and office equipment (including computers) $2,698,473.

iii) $45,000 for telecommunications.

ACID RAIN DAMAGE

Question No. 158—**Mr. Caccia:**

For each province east of Saskatchewan, what is (a) the economic loss, on an annual basis, attributable to acid rain damage for (i) commercially logged tree species (ii) maple syrup production (iii) agricultural crops (iv) salmon spawning grounds (b) the effect of acid rain damage on growth rates and productivity for (i) commercially logged tree species (ii) maple syrup production (iii) agricultural crops (iv) salmon spawning grounds (c) the effect of acid rain on the annual growth rate of major tree species?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): I am informed by the Departments of Agriculture, Fisheries and Oceans and Forestry as follows:

(a) i) Trees that are currently being harvested have matured in a relatively pollution-free environment and, therefore, are only slightly affected by acid rain. Annual losses are estimated at $2.5 million (1983 dollars) for Quebec and Ontario and about $.5 million for the Atlantic provinces, accurate estimates for Manitoba do not exist but it can be predicted that they will be less that $10,000.00 a year.

ii) iii) Direct effects of acid rain have not been demonstrated. For provinces east of Saskatchewan, there is no specific economic data available for economic loss, on an annual basis, attributable to acid rain damage for maple syrup production and agricultural crops.

iv) Based on the biological assessment, the annual impact of the reduced salmon stocks on the economy of Nova Scotia is $190 thousand in terms of net foregone expenditures by salmon anglers.

(b) i) Commercial logging is carried out in mature or overmature stands, in which growth potential is very limited. Young stands and those in the development stage are most seriously affected by acid rain, but will not be logged for several years. Therefore, current commercial harvests are affected very little by acid rain. However, it can be anticipated that future harvest will decrease, as a result of acid rain damage.

The most sensitive species, in order of importance, are: Eastern White Pine; Silver Maple; Red Spruce; Black Cottonwood; and Beech.

ii) iii) There is little conclusive data on the effect of acid rain on growth rates and productivity for mapple syrup and agricultural crops.

iv) Nova Scotia: 13 rivers in which native salmon runs are extinct;

18 rivers in which salmon populations are considerably reduced;

13 rivers in which salmon still live but in which reduction in populations has been noted; some of their tributaries no longer support salmon populations;

16 rivers in which salmon populations are not affected by acid rain.

Nova Scotia has a total of 38.7 sq km of accessible (to salmon) habitat. Of that accessible salmon habitat, 20.5 sq km are considered to be vulnerable to acid rain.

Acidification of habitat has caused an estimated 50 per cent decline in Atlantic salmon production in 22 rivers for which good angling statistics are available; the decline in all of Nova Scotia has been 33 per cent.

New Brunswick: There are 134.9 sq km of accessible Atlantic salmon habitat and none of that habitat is considered vulnerable to acid rain.

Prince Edward Island: There are 2.8 sq km of accessible Atlantic salmon habitat and none of that habitat is considered vulnerable to acid rain.

Newfoundland: There are 211.1 sq km of accessible Atlantic salmon habitat and 25.6 sq km of that habitat are considered vulnerable to acid rain.

Quebec: There are 319 sq km of accessible Atlantic salmon habitat on the North Shore and 113 sq km of that habitat are considered vulnerable to acid rain.

(c) There is no scientifically proven relationship between acid rain and annual tree growth. The best estimate of growth losses comes from a scientific opinion survey which states that atmospheric polluants are reducing the rate of annual growth by 5 per cent in Quebec and Ontario and by 3.5 per cent in the Atlantic provinces and they have no effect in Manitoba.

Experts believe that within thirty years, forest productivity will decrease by 11.5 per cent in Quebec and Ontario, 8.4 per cent in the Atlantic provinces and 1.6 per cent in Manitoba. However, control measures that reduce air pollution by 50 per cent in terms of 1984 levels could increase forest productivity in the long term by 1.7 per cent in Quebec and Ontario, and by 1.2 per cent in the Atlantic provinces.

PLANNED PARENTHOOD CANADA

Question No. 172—**Mr. Kilger:**

1. Has the government provided federal funds, by way of sustaining grants, to Planned Parenthood Canada in the fiscal year 1989–1990 and, if so, what amount?

2. Since 1969, has the government given grants to Planned Parenthood Canada and, if so, for all types of grants, what amount?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): I am informed by the Canadian International Development Agency and the Department of National Health and Welfare as follows:

1. In fiscal year 1989/90 the Canadian International Development Agency (CIDA) has provided a contribution of $95,000 to the Canadian Planned Parenthood Federation to support delegates from developing countries to attend the International Planned Parenthood Federation (IPPF) Members' Assembly.

The Department of National Health and Welfare has provided a sustaining grant to the Planned Parenthood Federation of Canada for the fiscal year 1989–90 in the amount of $146,000.

Since 1969, contributions by CIDA to the Canadian Planned Parenthood Federation have totalled $936,422.

Health and Welfare Canada made the following contributions

Health Promotion Contribution Program (1983/84–1991/92)	$ 519,872
Family Planning Division (1972/73–1985/86)	$5,976,200
Sustaining Grants (1986/87–Present)	$ 738,200
TOTAL	$7,234,272

INTERNATIONAL PLANNED PARENTHOOD FEDERATION (IPPF)

Question No. 173—**Mr. Kilger:**

1. Do government funds go to the International Planned Parenthood Federation (IPPF) through (a) other federally funded agencies that are involved in Third World development (b) United Nations family planning programs (c) unilateral or multilateral agreements and, if so, what amount?

2. Do government funds go to population and "reproductive health centres" in China and, if so, does the IPPF have any involvement in these programs and, if so, are government funds made available to the IPPF either directly or through other agencies such as the United Nations Fund for Population Activities and, if so, what amount of funding is directed to such activities through these agencies?

Hon. Monique Landry (Minister of External Relations): 1. a) Government funds go to the World Bank for their development programming. The World Bank has, in the past given contributions to the International Planned Parenthood Federation (IPPF) based on agreements between the World Bank and IPPF.

b) Government funds go the United Nations Fund for Population Activities (UNFPA) for their development programming. UNFPA has undertaken joint programming with IPPF.

c) Government funds have contributed and are contributing to IPPF directly via the Canadian International Development Agency (CIDA). In fiscal year 1989–90, the approved grant totalled $8.2 million.

2. On a bilateral, or government-to-government basis, CIDA does not provide funding to the population sector in China.

The China Family Planning Association, an autonomous, non-governmental organization (NGO) is a member of IPPF. In 1988, IPPF contributed US $920,000 towards the programmes of its China affiliate, most of which was spent on audio-visual equipment and information/educational materials of the Association's information activities.

[*English*]

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

The Acting Speaker (Mr. Paproski): The questions as enumerated by the hon. parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all Notices of Motions stand?

Some hon. Members: Agreed.

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PRIVILEGE

COMMENTS DURING DEBATE ON BILL C-28

Mr. Stan Keyes (Hamilton West): Mr. Speaker, yesterday afternoon I had the privilege of rising in this place to address a motion which would have deleted the clawback provision of Bill C-28. In the course of my speech, which dealt with a very serious matter of great concern to thousands of my constituents, I was repeatedly interrupted by the hon. member for Burlington who used expressions that I trust Your Honour will find unparliamentary.

They can be found in the *Hansard* of yesterday, Tuesday, December 19, on pages 7216 and 7217. Even if the Chair were to find these expressions permissible, I feel that they have impugned my seriousness as a member of Parliament and prevented me from properly representing the legitimate concerns of my electors. I would ask that the member for Burlington do the honourable thing and withdraw his remarks.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, in the absence of the hon. member for Burlington, maybe we could ask that you reserve on this. We will speak to the member for Burlington and see what can be done.

The Acting Speaker (Mr. Paproski): Yes. Usually when we have a question of privilege raised, the members involved are in the House. I realize this could be the last sitting day for another month and I know the member was anxious to get it on the record. I am sure the parliamentary secretary will bring it to the attention of the hon. member for Burlington.

Mr. Keyes: Mr. Speaker, I want to make the Chair aware that all parties were aware of my intention to raise this matter. Notification was given. Due, I suppose, to the various happenings between three o'clock and the present time, the hon. member for Burlington may have been unable to attend due to other duties, but he was aware of it, as was the Chair.

The Acting Speaker (Mr. Paproski): The hon. member for Burlington is on the Board of Internal Economy and I know they are meeting.

* * *

JUSTICE AND THE SOLICITOR GENERAL

AUTHORIZATION TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I have been informed that there have been discussions among the three parties concerning the Standing Committee on Justice and that there would be unanimous consent for the following motion:

> That the Standing Committee on Justice and the Solicitor General be authorized to travel to Washington for the period from Sunday, January 21 to Thursday, January 25, 1990, in order to participate in an international conference on criminal code reform and that the necessary staff do accompany the committee.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): Before we carry on with further business, Mr. Speaker has advised me that he would like to have all hon. members join him at 6.30 p.m. in Room 216 for his annual reception.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-9, an act to amalgamate the two corporations known respectively as the Governing Council of the Salvation Army Canada East and the Governing Council of the Salvation Army Canada West, and to make necessary provision regarding the charter of the amalgamated corporation to which the concurrence of the House is desired.

* * *

MOTION TO ADJOURN UNDER S. O. 52

UNEMPLOYMENT INSURANCE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I sent notice to you earlier today that I would rise under the provisions of Standing Order 52 to seek leave to adjourn the House for the purpose of discussing a matter of urgent and pressing concern.

We have every indication now that the Senate will not pass Bill C-21 before the new year, and the government has not indicated any willingness to pass the annual variable entrance rates bill, as we have seen earlier today. As a result, in a few weeks, when the House is not sitting, the unemployed in depressed regions of the country will suddenly become ineligible for benefits. This means that the battle between the government and the Senate over the unfortunate amendments to the UI act will have significant civilian casualties, namely, the unemployed in the most hard-pressed economically hit areas of the country.

I believe it is our responsibility to ensure that unemployment insurance is provided in a fair and equitable way throughout Canada. I find it totally irresponsible for the government to engage in this game of brinkmanship with the Senate when the consequences will be felt, not by the members of either of these chambers, but by the thousands of Canadian families who will be deprived of the benefits to which they would normally be entitled. For that reason, I am asking for an emergency debate on this later in the day.

Mr. Speaker: First of all I want to apologize to the hon. member for Kamloops for not being in the House. I was watching his presentation and I understand fully the content of it and, of course, have considered his application in writing which was given to me and was procedurally sound.

The matter is, of course, an important matter but I must advise the hon. member that, at least in my view, it does not meet the requirements of the Standing Order. It is an important matter and I thank the hon. member for bringing it to the attention of the Chair.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Elmer M. MacKay (for the Minister of Finance) moved that Bill C-28, an act to amend the Income Tax Act, the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, the Old Age Security Act, the Public Utilities Income Tax Transfer Act, the War Veterans Allowance Act and a related act, be read the third time and passed.

• (1650)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity to speak on third reading of Bill C-28. I can assure you, Mr. Speaker, that in the spirit of parliamentary co-operation and also in keeping with the holiday spirit, I will not take up too much of the House's time so that other members will also have a chance to make their comments. Besides, I made a fairly elaborate presentation on this bill on second reading.

Mr. Speaker, as you know, Bill C-28 arises from the budget brought down last April by the Minister of Finance and is in response to the objectives pursued by this government.

Mr. Speaker, we all know that this country's national debt is a major problem. When we were elected in 1984, it was nearly $200 billion.

Thanks to the budgetary and monetary policies that have been part of the Conservative government's economic policy since 1984, we have been able to reduce our deficit each year, but nevertheless, we are still struggling with the problem of a growing national debt.

Mr. Speaker, during the past five years, spending has been cut back, and last week the President of the Treasury Board announced spending cuts totalling nearly $1.4 billion.

Mr. Speaker, if we want a healthy Canadian economy, we must bring our national debt down to acceptable levels and our revenues or income must be commensurate to those levels.

The April budget introduced additional taxes on individuals and, more specifically, a surtax on individuals with higher incomes. Mr. Speaker, as we saw yesterday in our discussions about the goods and services tax, when we have spending commitments, we must also have the income to balance our budget. And where do we get that income? We get it from higher income tax payers, from corporations, and also through a tax that will replace a federal sales tax that no longer reflects the economic realities of 1989 and that next year will be replaced by the goods and services tax, a modern tax that will reflect the competitive spirit Canada has and indeed must have at the international level.

Mr. Speaker, Bill C–28 also contains a measure which provides that certain payments received by Canadians 65 years old and over with a gross income of $77,000 or more—-this means that all Canadians who age 65 who are listening and whose annual incomes are below $77,000 annually are not affected.

Mr. Speaker, according to this provision, part of the old age security pension payment they receive will be paid back in income tax to the federal government, again, provided their gross annual income exceeds $77,000.

Mr. Speaker, on the other side of the House, they are criticizing this measure because according to them, this is going to eat away at people's incomes every year and because of inflation, the net incomes of individuals with a gross annual income of $77,000 will go down. In that regard, Mr. Speaker, I would like to point out to you the comments made by the Minister of Finance (Mr. Wilson), one of the best finance ministers Canada ever had, who has said several times that if indexing should be reviewed, it would be done in due course to ensure that the taxable level, which is $77,000 gross annual income in this case, would retain its value in real terms.

Mr. Speaker, this bill is important for the economy and the finances of the country. If we want to continue the excellent work done since 1984 in terms of revenues and expenditures, we must pass Bill C–28 as soon as possible, Mr. Speaker.

So, Mr. Speaker, I ask all hon. members of this House, in the co–operative spirit of Christmas, to make their speeches short and of course in support of Bill C–28.

[*English*]

Mr. John Manley (Ottawa South): Mr. Speaker, I welcome this opportunity to speak on this legislation which is a very comprehensive piece of legislation touching on many aspects of the Income Tax Act.

I come to this third reading debate having participated in the legislative committee and having been a witness to the very arbitrary process that was applied at the legislative committee stage of this bill. Two factors caused that arbitrariness. The first factor was that the government did not want to hear witnesses who had views to express on the key elements of the legislation that is contained in Bill C–28. That process, the opportunity for Canadians to be heard, was thwarted by government members who consistently refused to expand the number of witnesses that could be heard.

The other way in which that process was arbitrary was the manner in which the government, in, I believe, a rather incompetent fashion, introduced the notice of Ways and Means that gave rise to this piece of legislation. By including the bill as part of the Ways and Means motion, the government made it impossible for amendments which were in order to be made. Early in the committee process we had presented to us a package of amendments. Many, many provisions in Bill C–28 were attempted to be amended, not by the opposition but by the government, by representatives of the ministry of

finance. This package of amendments, which is as thick as the bill itself, was found to be entirely out of order. They were entirely rejected.

As they say, this is no way to run a railroad. If the government cannot introduce a bill that covers the points that are necessary, surely it is incumbent upon it to withdraw the bill, and start over and do it properly. What we have in this case is a very important piece of legislation, tabled and debated in the House of Commons, which needed, according to the government and the departmental officials themselves, many amendments to it.

Either these amendments were superfluous and did not need to be presented in the first place, in which case they should not have been, or they were necessary, in which case the bill should have been removed from the list and reintroduced in the proper form. I think it is a demonstration of the incompetence of the government that it would present such an important piece of legislation in such a shoddy fashion.

The fact that we have spent this time debating it without having these amendments is a shame. What is going to happen, of course, is that these amendments are going to be presented in a new bill early in the new year and the only beneficiary of that process is going to be the publishers of income tax acts who publish them in great quantities every time the act is amended.

The bill presents many points for discussion. The most important for many Canadians, of course, is the proposal contained in it to claw back family allowance and old age security benefits. But there are other things, things that came up very briefly in correspondence received by members of the legislative committee and otherwise. I will refer to a couple of these.

• (1700)

We received very strong and worth-while submissions from representatives of the leasing industry on the adverse impact that provisions contained in this bill and which are proposed for regulations under the Income Tax Act will have on the leasing industry. It was pointed out to us that the government's approach to leasing as a business under the Income Tax Act is totally at variance with the way it intends to treat leasing under the new proposed goods and services tax, an inconsistency which should not exist.

These matters could not be discussed or considered in the committee. They were out of order. For that matter, the very fact that so many important items are proposed to be changed by regulation 1100 in the Income Tax Act, instead of putting it in the act itself where it can be fully considered and debated in Parliament, is wrong in principle.

We had submissions on the government's large corporations' tax, which the government takes such pride in flaunting, which is a minor variance of the income tax system to try to ensure that at least some taxes are paid by Canada's largest corporations. Even in doing that, they could not get it right.

Representatives of the large corporations came to us and said that the tax, as proposed, unfairly benefited the revenues of foreign governments because Canadian large corporations were not going to be entitled to a foreign tax credit in foreign jurisdictions for their large corporations tax. A minor change could have corrected that, but such amendments were not in order because of the way the government had presented the bill. Foolishness and incompetence.

There is the matter of the surtaxes. Bill C-28, which should remove the surtaxes that the Minister of Finance told us were temporarily awaiting the imposition of the goods and services tax, makes them permanent.

Yesterday we were told in this House that not only are the surtaxes being made permanent, but they are being increased. This kind of lack of honesty in the presentation of financial matters to the country as we have had in the presentation of phase 1 of tax reform, followed by Bill C-28, which makes that surtax permanent instead of removing it, can only lead to the discrediting of members of Parliament on all sides and politicians in general.

The principal points to be made about Bill C-28 relate to the issues of the clawback of family allowance and old age pension benefits.

The government would have us believe and has tried to convince Canadians that what is happening in Bill C-28 is not anything to do with universality. Universality has been the basis in many ways of our social programs in this country. Universality is based on the concept that all Canadians, wherever they live, whatever their status in

life, whatever their income may happen to be, are entitled to some basic minimum level of social programs.

Today we are talking about old age pensions and about family allowances. We could equally be talking about education. We could be talking about medicare. These are things that we in Canada recognize should be for the benefit of all Canadians.

The government has recognized this in some of its own work. A consultation paper issued in January 1985 by the then Minister of National Health and Welfare stated on page 5:

> The concept of universality is a keystone of our social safety net. Its integrity must not and will not be called into question.
>
> The concept of a means test to determine eligibility for selective benefit programs is not appropriate. Eligibility for these programs, such as the child tax credit and the Guaranteed Income Supplement will continue to be determined on the basis of taxable income.

He talks further about an approach to reform in Chapter IV entitled "The Government's Current Approach to Reform" where he states:

> A special surtax on Old Age Security payments to recover more of the benefit paid to upper income pensioners would seriously disrupt our retirement income system, both for current pensioners and those now planning for retirement, and would unduly penalize those most affected by reason of retirement income resulting from private savings in earlier years.

I suggest to you, Mr. Speaker, that in January 1985 the Minister of National Health and Welfare had it right. He was dead right. Why the government is now reneging on this commitment to Canadians is a mystery to me. Of course, the government does not admit that it is reneging. It says that this is not touching universality. If we put the old age pension into the right pocket and then fish it out from the left, we have not affected universality. We have just taxed it back.

At least somebody over there is willing to call a spade a spade and as usual that is the hon. member for Mississauga South. He is quoted in *The Ottawa Citizen* on September 23, 1989, as saying this:

> We have decided to eliminate universality and we do that in a sense by the clawback in both family allowance and the old age pension.
>
> As you know, it has been a Conservative philosophy for some time that distributions from the state ought to go essentially to those in need. While the clawback may be unfair and sneaky, it is there.

At least he tells the truth.

If we are going to change that principle of universality, at the very least Canadians should be able to participate in a discussion of the policy underlying it. Surely if we have had the principle of universality for many years in our country and we set about changing it, we ought to do it through a consultative process and not as part as a budget bill.

This point has been made by the Canadian Council on Social Development and others who have looked at this and said that surely we should have a discussion in Canada on universality. The time has come. Instead of doing that, this change is put in sneakily through the back door, through an amendment to the Income Tax Act, without hearing Canadians across the country on the issue that it is raising. Here we are under time allocation being forced, as a gift to our seniors and to our families in Canada, to see the adoption of this retrograde measure without full debate and consultation with Canadians.

The process that was started in January 1985 by the government across the way is one that should have been followed and should have been applied. This consultation paper ought to have resulted in a thorough study of the principle of universality so that Canadians could say what they thought. It is an important principle. It is important for a number of reasons.

It is important because of the nature of the programs that we have in Canada. Surely we do not want to move to a system where our social programs are only targeted to the poor because then they become poor people's programs. If we have a system of health care for the poor, the rich will buy the good health care and the poor will have what is left. If we have an educational system that is for the poor, then the rich will pay for a good education and the poor will get what is left.

When we start to whittle away at universality, where we end up is a system where our social programs are only for the poor because they are the only ones that have to accept them and the wealthy can buy what they want. Universality is also a reflection of the collective responsibility that a society assumes for its members. Old Age Security and family allowances are not meant to be transfers from the rich to the poor. They are meant to be transfers to those who are working and to those who are retired. They are meant to be transfers from those

without families to those with families. They recognize the fact that our collective needs must be taken care of by everyone in Canada.

• (1710)

What many seniors find most objectionable about the clawback of the old age pension is the fact that this is something they feel they paid for over the years. I have gone back in *Hansard* to see what was being said in this Chamber in the years in which the old age pension was being implemented. In *Hansard* on October 25, 1951 the Minister of Finance, when talking about the legislation that created the old age pension for the first time as something that could be paid without a means test, stated::

> The legislation to be introduced will establish—a special fund to be called the old age security fund. Pensions will be charged to this fund and the revenue from certain taxes will be credited to it. The taxes in question will be specifically levied in the old age security legislation rather than in the ordinary revenue acts which authorize the raising of funds for general governmental purposes.
>
> Perhaps it would be useful in order to avoid any possible misunderstanding if a few words were said about the basic principles on which the Canadian plan as set up will operate. It has been described as a universal pay-as-you-go system as distinct from old age assistance such as we now have, or from a system of old age insurance such as has been adopted by some other countries. The plan here proposed has also been described as a contributory system in the very real sense that certain special taxes are to be imposed and earmarked to support the fund.

That is the principle upon which the old age pensions were established.

In 1971, when it was proposed to simplify the income tax system and eliminate the special old age security tax, the concerns about whether this would lead to the end of universality were expressed very eloquently by a number of members at the time. For example, the then member for Winnipeg North Centre, the Hon. Stanley Knowles said in the House on December 20, 1971, and by coincidence, today is the anniversary of that date:

> There are one or two further points I should like to make. The minister states he has no intention of getting away from the present practice. I wish he would confirm the statements which have been made by the Minister of National Health and Welfare. Does the right of entitlement, which has been based on the taxes the way they were, still hold? The Minister of National Health and Welfare has declared that it was because the taxes were earmarked there was a right which people could assert. Will that still hold?

The then Minister of Finance, Mr. Benson, responded:

> The right is given to the pensioner by Parliament. The only way of changing this would be for the government to amend the Old Age Security Act in order to change the amount paid to people. I can assure the hon. member that we have no intention of changing the universality of the basic pension.

Here we are, 18 years later, faced with this legislation with time allocation ending that right of senior citizens.

The 1971 T1 *General Tax Guide*, at page 17 states:

> (3) Old Age Security Tax—All taxpayers whose "Taxable Income" is over $500 are subject to the Old Age Security Tax. The tax is 4 percent of "Taxable Income"—maximum $240.

These people have bought and paid for their old age pensions. They do not deserve to be treated as they are by this government having them clawed back, taxed back, whatever their income level is. This tax is a discriminatory tax, a tax based on age. No other group in this country is going to be asked to pay a tax rate of 100 per cent on any kind of income, but the seniors of this country who bought and paid for their old age pensions are being asked to pay a tax rate of 100 per cent of their old age security, if they are in the category that it applies to, and it is totally unfair.

There are other problems with it. The superannuates came to the committee and they reminded us of how they had negotiated in good faith with the government of the day the amendment of the provisions of the Superannuation Act for federal public servants at the time that the Canada Pension Plan was being introduced. They told us of the discussions that went on at that time when they were promised that their old age pensions would not be affected. For that reason, they agreed with the integration of their superannuation benefits with the Canada Pension Plan.

Is this government offering to go to the federal superannuates, to the unions that represent them today and renegotiate the superannuation so that it could be done on the terms on which it was introduced those years ago? I think not, regretfully.

We heard about those who benefit from defined benefit pension plans whose pension plans provide that the amount they receive will be reduced by the amount of their old age pension. What this ridiculous clawback system, which is a badly disguised version of an assault on universality, says to those people is: "First you get your

pension, reduced by the old age pension because you get that as well, but then we are going to tax back the old age pension. Sorry, but your pension plan does not provide for your defined benefit plan to come back into full operation."

Therefore, those people are clawed back twice. The government did not really have time to think about any of those problems. They did not even want to hear about them. They did not even want witnesses to come to the committee to talk about it. When they did talk about it, they could not fix it because of the incompetent way in which they had presented the bill. Then some of them have the incredible audacity to come into the House of Commons and try to tell us that the seniors really don't mind. The seniors don't mind.

They do mind. I have in front of me a number of press releases and other items issued by groups like *One Voice Seniors' Network* where they talk about how their views were represented to the people of Canada.

On May 16, 1989, *One Voice Seniors' Network* released a statement which stated:

> Seniors Deplore Ministers' Remarks
>
> Monique Vézina, federal Minister of State for Seniors, raised the ire of the powerful seniors' movement with comments she made last week concerning their reactions to Michael Wilson's budget.
>
> "We don't appreciate having our views taken out of context and distorted to suit the government's public relations machine," said Jean Woodsworth, President of *One Voice*—

That rebuke was not enough. Earlier this month in this House the Minister of Finance tried to suggest that *One Voice Seniors' Network* supported the clawback. Again, *One Voice* had to issue a press release dated December 6, 1989:

> Seniors were appalled yesterday to see their words twisted to support the government's controversial clawback legislation. Jean Woodsworth, President of *One Voice*, the Canadian Seniors Network, claims that their pre-budget brief is being used against Canadians in an underhanded way.
>
> "Mr. Wilson invited us to consult on the budget while it was in preparation. At that meeting, he specifically promised us he promised us he would not touch universal social programs, but then he went ahead and proposed this awful clawback. That was a real betrayal. But now he's taking our own words out of the context of our brief to make it look as though we agree with the clawback. This simply is not what we said. Mr. Wilson has aggravated the anger and mistrust seniors are already feeling".

This was raised in the House of Commons, and a response was made by the Minister of State for Privatization and Regulatory Affairs. He had to receive a letter then from *One Voice Seniors' Network*. This is what they said to him:

> Your reference to our organization and to my supposed comments in particular as supporting the clawback have created a mistaken impression in the House.

That had to be raised and the minister confronted with it. Mrs. Woodsworth had the following to say:

> It has been the consistent position of *One Voice* that the clawback is a serious threat to universality of Canada's social benefit programs, and we have never supported the measure. I know that I personally never made such a comment.
>
> We have contacted the Economic Council of Canada and they have been unable to locate any report which makes a reference to the clawback or the $50,000 threshold.
>
> What concerns us more is that the clawback was not announced until the budget was released in April. We wonder how discussion of the clawback or the $50,000 threshold could have taken place in February before it had been announced in April.

That is what this government has been doing to distort the words of seniors, and they will not even listen to these people. That is why they closed the hearings on universality and on the clawback.

• (1720)

I would like to suggest that we have been listening. We, on this side of the House of Commons, have been listening and we have been hearing a lot. I have heard members on the other side say in this House that nobody out there was concerned. I cannot believe that they are not getting some of these same letters.

The following letter comes from one of my constituents, Normand Anctil who states:

> I retired from the Public Service last month after over 31 years of service in the public sector including over 24 years in the Navy. I have been working hard and looking forward to this time in life for many a year.
>
> Throughout my service I have accumulated some savings in the form of RRSPs which coupled with my superannuation, CPP, OAS and good health I felt would provide me with the means to live with dignity, independence and a good quality of life.
>
> But, what do I see on the horizon? More increases in taxes and the one thing I have been paying for during my service to my country, in fact during all of my working life, the one thing I considered as part of

my security for the future, "My"—YES—"My"—Old Age Security benefits are jeopardized. The OAS is mine, I paid for it, I count on it, it is part of my rights and the government is stealing it from me.

Another constituent, Mr. Lloyd from Featherstone Drive in Ottawa wrote and stated:

—as a retired senior and as a veteran who served with Bomber Command during the Second World War, I am appalled by the threatened attack by Mr. Wilson on the financial stability of my retirement years by his planned tax-back proposals on our old age pensions.

Although not a wealthy individual by any means, I do receive in addition to my OAS and CPP a superannuation for 27 years of Air Force service—and I can already envisage that eventually the cut-off level for pay-back will reach me, as it is not fully indexed to inflation—

Mr. Hibbard from Fox Run Lane, and Captain Small who lives on Willowdale Avenue have written. I am sure, Mr. Speaker, you have seen some of these letters yourself, again and again, people feeling that they have been attacked unfairly. This one was received by my colleague, the hon. member from Belleville and Picton, from Mr. Cundy, at "Leeside Retreat", Sheba Island, Picton, who stated:

I feel that I have been betrayed by the Finance Minister, Michael Wilson and would like to convey to you my utmost disgust. I look back at the time his so-called leader Brian Mulroney lied to his own mother, stating on national television that seniors would never have their social benefits touched while he was in power. How despicable. How despicable can a son be.

It took me over 40 years to achieve my retirement aims. To establish a good pension, I worked hard and turned my back on many tempting luxurious items. At the same time I paid many thousands of dollars in taxes which I assumed would have a bearing on my old age pension.

Now, on the eve of Bill C-28 being passed, I will have all of my old age pension taxed back.

Over the years, my family have voted Conservative, however, I can assure you that we will all turn to Liberal at any future election.

At least there is some good news in this.

I do not want to miss the opportunity to speak a bit about the family allowance as well and still afford some time for my colleagues to speak.

The family allowance is a different matter in a sense in that it in no way has been a contributory scheme and no one receiving family allowance disputes the fact that they receive it out of the consolidated revenue fund and have not paid for it.

What is of concern is the fact that over the years of this government being in office the tax burden has more and more been imposed on families in Canada. According to the Canadian Council on Social Development the net tax increase—and this does not take into account the goods and services tax, nor does it take into account the clawback—for a one-income family with two children, those at the poverty line of $23,639 since 1984 has been 61.3 per cent; for the average income at roughly the $45,000 level, an increase of 29.3 per cent; for the upper income of $100,000, a net tax increase of 7.7 per cent. It is clear that there has been a shift in the burden of taxes to families.

The Vanier Institute on the Family wrote to the legislative committee on Bill C-28. Even this prestigious organization was denied the opportunity to speak before the legislative committee on these important measures. It wrote to the committee and pointed out that the burden has been shifted more and more to families.

The government party in election campaigns certainly in my area made much of family values. The Conservatives talked about family values, but when the rubber hits the road, when it comes to dealing with support for families, that is where they look to cut. That is where they look to hurt people.

I do not think anyone can satisfactorily explain to me why in imposing the clawback on family allowances the government refused to index the threshold fully. No one on that side has been able to explain to me why the clawback is to be calculated on an individual's income and not on family income. Two individuals with children who have a combined income of as much as $99,000 will not face the clawback, whereas the single income earner supporting children will face the clawback starting at $50,000.

Furthermore, what do members of the government propose to do with the savings it will gain from the clawback? They do not propose to use them for social programs to redirect them to low income people. They propose to add them to government revenue so that they can waste them, spend them. That is what they propose to do with them, and the Vanier Institute points out the difficulty that will be felt by families across Canada and the failure of this government to make adequate social policy provision for support for families at whatever level of income.

What concerns me most of all—and I wish to give others an opportunity to speak—about this bill is the essential dishonesty that underlies it: dishonesty in presenting a change in social policy, the most important in a generation in the context of an income tax bill where it cannot be debated or discussed as it should be; dishonesty because it represents as complete turnaround by a government that went forward in the election campaign and promised not to touch social programs.

The Prime Minister stood on an election platform and asked in the company of his mother whether anyone would believe that he would cut benefits to her. The Prime Minister stood up in one of the hardest hit areas of our country in Nova Scotia and said that as long as he is Prime Minister benefits for the elderly would not be reduced but would be improved. The essential dishonesty has to cause revulsion in Canadians across the country, and it has to cause them to think of all of us. Who can we believe when the Prime Minister and the Minister of Finance can glibly make promises like that and within a few short months of being re-elected turn their backs on them and tear them up? Who can we believe?

This is a sad day for Canada. This is the day that universality ends.

Some hon. Members: Hear, hear!

• (1730)

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I promised my colleague from the Liberal party some time at the end. I was hoping that the time allotment would be shared somewhat more equally, but I guess those are the breaks of the political scene.

I should comment on the amendments at first, the 125 that my colleague has mentioned. I have good reason to believe after some searching that there are consequential amendments included in these government amendments to the bill which indicate indeed that the bill is flawed with the amendments and without the amendments.

The government should have done the honourable thing and brought back the bill in the new year with the appropriate amendments. They are consequential. There is something really unusual going on behind the scenes with these amendments. As has been indicated to me, there is something rotten in the state of Denmark. This is unprecedented. I cannot find any precedents for this kind of action having taken place. It is indeed sad. There is something seriously wrong within the system. Perhaps it will be addressed once again in the new year.

This is the final discussion on clawback, Bill C-28, the end of universality, a concept of caring, something with which our country identifies, a watershed of social policy. The government has changed the watershed. Social policy has been swept away. It is a sad day for Canada. This is a debate that has focused on clawback, seniors, family allowances, and $50,000 thresholds.

Every once in a while when I am looking for enjoyable reading I turn to one of my books written by the hon. Prime Minister before he was Prime Minister. I understand that that is a big mistake. Never write a book until you are finished your political career; never before. I quote the Prime Minister:

> When I look at Canada today, there is nothing I see that is more painful to me, as a citizen of one of the most blessed nations on earth, than the continual fighting and bitching that is going on among and between just about every major group in our society.

I will skip a few lines:

> It is a continuous fight card in which it is difficult to find winners and easy to identify the loser—Canada itself. It seems the phrase "the common good" has been struck from our vocabulary.

That is what universality is all about. The common good has been struck. How prophetic the Prime Minister was. He was ahead of his time.

He has been the author of the end of universality and this will breed cynicism among Canadians. I received a call not two hours ago from a constituent saying: "I just do not believe this. I don't think we want to participate any more in the system simply because if we are going to contribute and not receive, why participate?" We have been saying this all along. Canadians will begin to become very cynical and say: "If we cannot participate in the end, then why participate during the process?"

As to the consultative process of the government and the committee, it is well-known now. It has been well documented. There was consultation beforehand, but not consultation during the process at first and second readings, report stage and third reading. I will not repeat what my hon. colleague said, but I would like to read from the consultation paper dated January 1985, specifically the third point found at page 6 which states: "Any

savings which may result from program changes will not be applied to reduction of the deficit".

That is exactly what the government has proffered as the reason for this movement. "We can reduce the deficit with these $300 million that we will realize". One can read all through this consultation paper and see that the whole thing has been scrapped. Once again, Canadians will become cynical and say: "Why consult us, because you will not listen anyway? You have betrayed seniors. You have betrayed young families across this country. You have betrayed all Canadians in the country".

This country is fragmented, fractured into winners and losers. Acrimony has never been at a higher level. We are becoming leaner and meaner. We are emulating our American neighbours. We are harmonizing not only our laws but our social programs. We are going to become less caring for one another. We are overrun with the big devouring the little. We see our national dreams fading.

The sad part of it is that it is part of an over-all agenda. I think a lot of members do not understand that there is an agenda in place because they do not feel that they are active participants. By their passiveness they are participating in the end of Canada as we know it.

The spectre of free trade hangs over our heads on each and every day. Even members of our party and I sometimes say: "Well, let's not mention it because they will bring out the old sparrow routine". Every sparrow that falls will be blamed on free trade. I am suggesting we are not talking about sparrows, although I am sure the government could care less about sparrows. This is about people.

The suggestion was that if I were to vote for free trade the jobs in my community would be preserved. The biggest employer said that as part of the over-all agenda. They got the free trade and they are being laid off with great regularity.

The Americans talk about free trade and protectionism. They said: "Don't bite the hand that feeds you". That is what they told me when a group of us went to Washington. "You people keep quiet in Canada. You have got all you are going to get from us".

With respect to social programs there is no secret. We have to harmonize, they suggest, but the better word is compromise. This government is compromising us to our knees, be it in terms of UI, GST or universality. It is part of a much larger agenda. If any of the members really cared, they would have accepted just one of those amendments that we proposed yesterday, the one that would tie the $50,000 threshold to inflation, but they totally ignored that.

The reality of what they are after here is to get their foot in the front door. Just give them a little leverage and they will continue to attack social programs. They did not dare make it a frontal attack because they would not get away with it. It is an around about approach.

I want to wrap up so as to allow my colleague from Windsor to finish up. The opposition to this bill is growing by leaps and bounds each and every day. It is most unfortunate that probably much of the opposition will not be recognized or heard.

As far as the level of threshold, the Minister of Finance says that it will be reviewed periodically and adjusted as appropriate. We do not believe that for a moment. It will not be monitored. It will not be adjusted. If it is monitored and adjusted the same way the free trade agreement is monitored and adjusted, we do not want it. It is not a monitoring process at all.

I will end by again reading from the government's consultative book with a chronology of social programs and in particular old age security programs. It is a glowing report starting in 1927 with the introduction of the old age Pensions Act which provided for cost sharing with the provinces of a means tested pension for residents of Canada 70 years old or over. It was improved in 1948, 1951, 1966, 1967, 1971 and 1972. The improvements continued in 1978, 1979, 1985 and 1989. That is where it ends.

This has not been written in the book yet but I think the epitaph should be written and will be written. It will state: "1989: The day universality in this country was removed by the Conservative government".

• (1740)

Hon. Herb Gray (Windsor West): Mr. Speaker, we are coming to the end of a debate that has been all too short, in view of the way the government has intended to make

fundamental changes to the social security system of the country.

Surely a debate of this importance should not have been brought to this abrupt conclusion by the imposition of time allocation by this Conservative government. The fact that this has been done by this government shows a fundamental lack of confidence by it in the validity of its ideas which underlie the proposal in this bill to claw back the old age pension and the family allowance from increasing numbers of Canadians.

In a few minutes the House will be compelled to vote on third reading of the legislation. I call upon the Conservative members to give serious thought to the implications of voting for this measure, to search their hearts and consciences and to decide, at least this once, not to vote with their party.

If Conservative members do not want to listen to me, perhaps they will at least listen to their own Prime Minister who said on November 8, 1988 in Sydney, Nova Scotia:

> As long as I am Prime Minister, social programs, especially those for the elderly will be improved, not diminished.

If Conservative members do not want to listen to me, I hope they will listen to the words of their own government in its consultative document. In it, in the case of seniors, according to the National Council on Welfare the federal government publicly rejected the idea of a clawback or surtax on old age pensions as late as January 1985 on the grounds that it would, and I quote:

> —seriously disrupt the retirement income system—the clawback changes the rules of the game without their consent. The elderly have already paid for their old age pensions through a lifetime of paying income taxes.

Earlier today I tabled the first of a large number of petitions from The National Pensioners and Senior Citizens Federation. This group represents some 500,000 retired Canadians. These petitions state:

> WHEREAS the federal government in its April budget, has proposed to tax back Old Age Security and Family Allowance benefits in part or in their entirety, depending on the recipient's income, and
>
> WHEREAS this tax, in the opinion of your petitioners, would undermine the principle of universality of Canada's social programs and will, as a result, create a potential threat to the income of future pensioners,
>
> WHEREFORE the undersigned, your petitioners, humbly pray and call upon Parliament to abandon this proposed measure,

Again I say to Conservative members: if you are not going to listen to me or members of my party or members of the party of the spokesman for the NDP who has just had the floor, at least listen to the voice of 500,000 retired Canadians from one end of the country to the other. Their president, Les Batterson of Windsor, in a letter to the Prime Minister on June 23 wrote:

> —our position is that the tax back is age biased, grossly inequitable and has serious implications with regard to universality.
>
> We view this proposal as a serious breach of faith by our government and an insidious effort to undercut the Social Security Programs that you have on numerous times stated are a sacred trust.

The number of people represented by The National Pensioners and Senior Citizens Federation demonstrates that opposition to this measure is not simply opposition on behalf of a relatively small number of well-off Canadians. The number is going to grow to millions because of the lack of indexing of the $50,000 threshold.

I regret that the choking off of debate by the Conservative government means that I must end now by once again by making a fervent plea to the hearts and consciences of the Conservative members to ask them to vote against this measure to protect the interests of senior citizens and of people with families.

Please, I ask the Conservatives, have some feeling for the families and the seniors of this country. If you do not, they will not forget you in the next election and you will not be back again.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 5.45 p.m., pursuant to Order made Monday, December 18, 1989, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 167*)

YEAS

Members

Anderson
Atkinson
Beatty
Bernier
Blackburn (Jonquière)
Blenkarn
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Chartrand
Clark (Brandon—Souris)
Cole
Cook
Côté
Darling
de Cotret
Desjardins
Dobbie
Dorin
Edwards
Fee
Fontaine
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Hudon
Jacques
Jelinek
Kempling
Landry
Larrivée
Lewis
Loiselle
MacDonald (Rosedale)
MacKay
Marin
Masse
McCreath
McKnight
Moore
Oberle
Paproski
Plourde
Pronovost
Reid
Robitaille
Schneider
Scott (Hamilton—Wentworth)
Sobeski
Andre
Attewell
Belsher
Bird
Blais
Bouchard (Roberval)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Collins
Cooper
Crosbie (St. John's West)
DeBlois
Della Noce
Dick
Domm
Duplessis
Epp
Ferland
Fretz
Gibeau
Greene
Halliday
Hawkes
Hockin
Horning
Hughes
James
Jourdenais
Koury
Langlois
Leblanc (Longueuil)
Littlechild
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McDermid
Monteith
Nicholson
O'Kurley
Plamondon
Porter
Redway
Ricard
Roy-Arcelin
Scott (Victoria—Haliburton)
Siddon
Soetens
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Van de Walle
Venne
Vien
Weiner
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—130
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
White
Winegard

NAYS

Members

Allmand
Angus
Bellemare
Bevilacqua
Blaikie
Brewin
Callbeck
Catterall
Crawford
Dionne
Ferguson
Flis
Funk
Gauthier
Guarnieri
Harvard
Heap
Hovdebo
Jordan
Keyes
Kristiansen
Laporte
Lee
Manley
Marleau
McCurdy
Mifflin
Mills
Murphy
Nystrom
Parent
Peterson
Pickard
Prud'homme
Robichaud
Samson
Skelly (Comox—Alberni)
Stewart
Taylor
Walker
Whittaker
Anawak
Axworthy (Saskatoon—Clark's Crossing)
Berger
Black
Boudria
Butland
Campbell (South West Nova)
Comuzzi
de Jong
Duhamel
Fisher
Fontana
Gaffney
Gray (Windsor West)
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacWilliam
Marchi
Martin (Lasalle—Émard)
McLaughlin
Milliken
Mitchell
Nault
Pagtakhan
Parker
Phinney
Proud
Riis
Rodriguez
Simmons
Speller
Stupich
Vanclief
Wappel
Young (Gloucester)—82

• (1810)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

POINT OF ORDER

FINANCE COMMITTEE

Mr. Young (Gloucester): Mr. Speaker, I rise on a point of order pursuant to Standing Order 108. I will be very brief.

My point of order is to the effect that the Standing Committee on Finance this afternoon passed a resolution:

> That a subcommittee of five members be struck to conduct an inquiry and hold hearings early in 1990 into the question of government spending and measures to control its growth.

I humbly submit that this action by the Standing Committee on Finance is *ultra vires* its mandate and I would respectfully request direction from the Chair with respect to this matter.

SPEAKER'S RULING

Mr. Speaker: I think I am obliged to deal with the matter. The hon. member has raised a point which is certainly of interest and it goes to whether or not the sub-committee which the committee has appointed today has embarked on a study of something which is beyond the mandate of the committee.

That is an interesting point but I have to come back to what I have had to say in the past. It is that the committee is the master of its own affairs and I think the hon. member will have to refer back to the committee to deal with it. If the committee should deal with the matter in such a way that it was appropriate that it be brought back to the House as a question of the committee, that is something else again, but at the moment the matter is in the committee's hands.

I appreciate the hon. member's intervention.

[*Translation*]

Some hon. Members: Hear, hear.

Mr. Speaker: Pursuant to order adopted earlier today, the right hon. Secretary of State for External Affairs (Mr. Clark).

ROUTINE PROCEEDINGS

[*English*]

PANAMA

STATEMENT BY MINISTER

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there was agreement among members of all parties earlier this afternoon that it would be appropriate for the three parties in this House to have an opportunity to express their position on the events in Panama.

I have the honour to present a ministerial statement which is a little untraditional. I apologize for not having circulated advance copies to my hon. colleagues in the House but they will understand the circumstances that prevented that.

I thought I would try to do three things. First, report upon the situation in Panama as we know it at this stage; second, review the chain of events which led to the American decision last night; third, present to the House some observations about Panama. That includes the possibility of developing a stable, democratic system in that country, a country and a region which, with less drama than we see in eastern Europe, is setting a remarkable example of democracy and of economic courage. It is important that parliamentarians in this House and countries like Canada help Panama assume its rightful place in that invaluable process.

First I will deal with the situation in Panama as we know it. The House will perhaps know that there are 131 Canadians who are registered as resident in Panama. Some of those are Canadians of dual nationality. We have been in touch, or sought to be in touch, with all of them by telephone, either through our honorary consul in Panama City or through the embassy headquartered in Costa Rica. To the best of our knowledge and our most recent consultations all Canadians are safe. None is in danger.

An official of the embassy based in Costa Rica will be going in to Panama as soon as conditions allow that to be done effectively. Fighting is falling off in Panama City, although there has unhappily been an outbreak of looting now. Perhaps that is a natural consequence of the kind of disorder that can arise in those circumstances. Forces loyal to General Noriega have moved into the countryside. Noriega himself has not been captured.

If there are further developments I will try to have them brought to the attention of members who are interested or will establish a system over the period of the recess in which either members of Parliament or certainly Canadians who have family or interests in Panama will be able to be kept informed.

[*Translation*]

As a founding member and signatory of the United Nations Charter and as a recent signatory of the Charter of the Organization of American States, Canada fully

and unreservedly subscribes to the principle of non-interference in the domestic affairs of States. The use of force is clearly a very serious matter. The Canadian government has already clearly expressed its regrets with respect to the U.S. intervention in Panama. However, we must not forget the pressing reasons that forced President Bush to authorize the intervention of U.S. troops.

• (1820)

[*English*]

Over the past two years the world has been witness to one of the most systematic betrayals on record. It is a betrayal in Panama of those democratic values which we hold dear in this House and, indeed, which are respected by most of our neighbours in Latin America and in the Caribbean. Even before that, the governments of Presidents Barletta and Del Valle were very much subject to the whims of General Noriega as commander-in-chief of the Panamanian Defence Force.

Canada has not traditionally maintained the most cordial relations with those successive regimes, which we regarded as being democratic in name only, but we were able to carry on correct business-like relations with them based on mutual interest. In 1987, when General Noriega was indicted by an American court on narcotics trafficking charges and the United States imposed an economic embargo, we did not follow suit.

When the May 1989 elections were called, we held out some hope that the Panamanian people would be permitted to express their democratic will at the polls. When, however, it became obvious that those elections were going decisively against Noriega's chosen candidate, the regime abruptly had the process declared void.

Canada condemned that denial of free elections. All of us were shocked by the images of the violent public beatings of the leaders whom the people of Panama had chosen to govern them. It was a temptation then to respond with violence. That temptation was strong and outspoken among some in the United States. It was resisted, it was resisted everywhere including, principally and most importantly, by the United States administration.

Various efforts were launched to achieve a peaceful solution to this very difficult problem. Some of them were bilateral, some of them were individual efforts by leaders of other countries. One of the most important was through the Organization of American States. On July 20 of this year, the Organization of American States passed a formal resolution which called for a transfer of power, taking effect on September 1 this year, from the Noriega regime to the people who had been elected in the May elections.

The OAS also launched a diplomatic mission headed by the foreign ministers of three of its member countries who travelled extensively and worked hard to try to find a peaceful way in which this transfer of power could be achieved. What is lamentable, but evident, is that that peaceful solution did not work.

There was, as we all know, recently an aborted coup. In the past week there have been developments that were particularly alarming, would be to anyone in this House and were to many of us, including the statement by General Noriega that Panama is in a "state of war" to us his words, with the United States.

That declaration unilaterally by General Noriega was followed by harassment of Americans stationed, by treaty, in Panama. Indeed, it was followed by the murder of an off-duty member of the American services and threats to the family of that individual.

It is important here, Sir, to emphasize two facts which distinguish the situation in Panama from that which might exist in other parts of the world. One of those facts is that the United States presence there is a result of a treaty. It is not a presence that is the result of an occupation. It is not a presence that is the result of an uninvited presence by the United States in that country. The American troops are there as the result of a legal agreement. They are there as the result of an international treaty. They have a right to be there and they have a right to be protected while they are there. That is one distinguishing factor and feature about the situation in Panama today.

A second fact that I want to underline is that peaceful solutions had been sought and peaceful solutions had failed. In fact, what was remarkable for so long was the willingness of the Bush administration to put its faith in mediation, to put its faith in negotiation, to put its faith in peaceful processes. The response to that was the declaration by General Noriega, unilaterally, of a state of war. The response to that was the murder of an off-duty American stationed there. The response to that

was threats to Americans who had a right to be there and who had a right to be protected while they were there.

The Government of Canada today, in my name, issued a statement that made essentially two points. The first is that the government regrets the use of force by the U.S. in Panama, but understands and is sympathetic to the American action in the circumstances, particularly given the legitimate American concern over the escalating threats to American citizens in Panama. People have a right to be there and had a right to be protected.

Second, we made the point very clearly that intervention by force is a dangerous precedent and we note that the United States relied on force only in the last resort, only after the failure of attempts to resolve the situation in Panama peacefully.

The question is: What now? What now occurs? What now should be done? I want to mention three things that I think should be on our minds as we try to look forward. One is that we have to work and use all of the influence and standing of Canada to ensure that intervention not become a precedent. There were unique factors here and if they can justify actions that were taken early this morning by the United States, it is the uniqueness that justifies them. There is not a precedent established here that this Parliament or this country would approve in other circumstances.

I think that, Sir, is a particularly important assurance to be given to the people and to the Government of Nicaragua, where elections are imminent and where every effort must continue to make those elections free and make those elections fair.

Second, we believe it is important that we help the government that was elected in May in Panama to establish stability and democracy in that country. That was the theme, I can tell members of the House, in many of the consultations I had today by telephone with Latin leaders of the Organization of American States. They are interested in taking advantage of the opportunity that has been created now to try to sink some of the roots of stability and a democracy that will be important if Panama is to assume its place of significance in a region where those qualities have come to be more evident and more valued.

We intend to send a team of Canadian officials to Panama as soon as that would be productive to see if there are specific ways in which Canada can contribute to that process.

Third, I think there is a lesson here of the real need to strengthen the regional institutions in Latin America, particularly in Central America. It is clear that the Organization of American States, despite its efforts, did not work in Panama. They were not able to achieve the peaceful solution that they sought and that others sought.

But I think it important to note that the OAS made a serious attempt to succeed and that, Mr. Speaker, was a change in itself. It demonstrates a new resolution among members of the Organization of American States that Canada can push forward and, in our judgment, must push forward.

The point to underline, Sir, is that Central America is not anybody's backyard. Central America consists of sovereign countries, with ambitions of their own, histories of their own, qualities of their own. It is a region which is remarkable for the will that has been demonstrated by its leadership, particularly in the last two and three years, the will to work together and the will to work together against quite extraordinary odds, including the pull of their own history in that region.

• (1830)

Traditionalists have asked, why would Canada want to focus on Central America, why would we be in the Organization of American States, why would we play the active role that we are in ONUCA, the United Nations Peacekeeping and Verification Agency, that is playing a potentially critical role in the region, why would we maintain our aid and development assisted relations with the five countries involved in the Esquipulas arrangement? We do that, Sir, because Central America and Latin America as a whole are changing, changing by their own will.

Carlos Andrés Perez, the President of Venezuela, repeated again to me this morning when I spoke to him to talk about the events in Panama, his profound belief that Canada has a crucial role to play in that region, both because of who we are and because of who we are not. The role, in his judgment, can be critical if the institutions and the instinct to reform that had been evident there are to become as effective as they can be.

We have a role to play in helping to prevent Noriegas. We have a role to play in helping to provide alternatives to intervention because our presence can strengthen initiatives and institutions like the Organization of American States.

Some hon. Members: Hear, hear!

Mr. Clark (Yellowhead): In a calmer part of the Question Period today, I had the opportunity to say to my friend from Winnipeg Transcona that I think it is time for all of us to engage in some new thinking about international events, and I meant that. I think he shares that view, as do others in the House. That means that we have to move away from stereotypes, whether those stereotypes are about the Americans and their motivations or whether they are about proud countries which we cannot dismiss simply because they are small.

For anyone interested in the future of Central America, interested in the principles of democracy, this has been a hard day for anyone concerned about this hemisphere. It involves a situation which we in the government believe is unique. We think, Sir, that we Canadians have a responsibility to make the most of the new situation which has been created by events in Panama, and that is the intent of this government.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, when a country holds an election and its leader is chosen by the will of the people, that leader must be recognized and respected as the people's choice because that leader was elected by the most powerful authority, the authority of the secret ballot. Unfortunately, General Noriega refused to acknowledge the results of the democratic elections and the direction in which they were going in Panama this past May.

Our party did not recognize General Noriega as the leader of the Panama and we supported any international efforts toward a peaceful transition from a dictatorship to a democratically elected government.

The Secretary of State for External Affairs mentioned in his comments that efforts were made through the OAS toward a peaceful resolution to this problem and we applaud those attempts. I think this perhaps highlights why our Prime Minister should not have rushed into joining the Organization of American States. Maybe we should have listened to the Canadians who put more stringent conditions on becoming a member of the OAS, because when one member of OAS attacks another member of OAS without consulting with its members, what is the point of having such an organization?

Canada's foreign policy must be based on certain principles. One of those is upholding the principles of the United Nations charter, especially the article of non-intervention. No country has the right to change circumstances internal to another country by military force without the consent of that country.

• (1835)

Guided by this principle, we expressed our strong disapproval of the United States invasion of Grenada in 1983. The Prime Minister of the day, the Right Hon. Pierre Elliott Trudeau, in response to a question posed by the then Leader of the Opposition, underscored a very important question which I wish to highlight with a quote from *Hansard* of October 25, 1983. The Prime Minister of the day then said:

> The United States was certainly entitled to attempt to protect those nationals. Whether it used the only available means and the proper means to protect them is something that we do not know the answer to, because we are not in possession of the facts.

Did the Prime Minister or the Secretary of State for External Affairs obtain facts to determine whether this invasion was the only means to protect the American nationals? Had President Bush called our Prime Minister before the invasion, the Prime Minister would have every right to ask as a member of OAS whether the United States used the only means and the proper means to protect American nationalists in Panama.

Did the killing of one soldier warrant killing dozens of others? We hope that in the future, the President of the United States will consult with its closest neighbour and ally prior to taking drastic action rather than placing a call after the fact.

In the Grenada situation, Canada was allowed to evacuate our nationalists. In the Panama invasion, our neighbour did not give us that courtesy. In his comments today the Secretary of State said that intervention by force is a dangerous precedent, and we note that the United States of America relied on force in the last resort. We on this side of the House agree with the right hon. member's statement. The question that analysts and historians will want to answer is, was this the last resort.

The Secretary of State quotes President Bush as having said that the United States had to ensure the safety of the Americans in Panama. That is not grounds for us to justify or condemn the action. Were there other ways of ensuring the safety of the Americans other than by invasion?

Again I quote the former Prime Minister of Canada from *Hansard* of October 25, 1983, when he says:

> I do not know why invasion was necessary. The Leader of the Opposition goes on to quote President Reagan as saying that the invasion was also intended to maintain the democratic system. The Leader of the Opposition said that should suffice for me. Obviously it is sufficient for him. I would ask him what would happen if the United States gave itself authority to invade any country where the democratic system did not exist?

The Secretary of State said that the Latin American countries are no one's back yard. Congratulations for making that statement in this House.

I would like to ask the Secretary of State, considering that Nicaragua now has its troops on full alert, what will his response be if tomorrow morning the United States decides to move into Nicaragua's back yard?

Unless the United States provides information which will demonstrate that this invasion was necessary to protect the safety of American nationals and unless there was no other means of doing it, then the intervention would seem unjustified. Let us remember that prior to the invasion, the United States had 12,000 troops in Panama. Could 12,000 troops not protect themselves and other American nationals?

I go back to the comments I made earlier in this House today and I call upon the government to use our membership in the Security Council, use our membership in the OAS to categorically state to our American friends that we cannot and will not support any violation of the principle of non-invasion, as the Secretary of State himself said, so that this incident is not precedent-setting.

• (1840)

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, earlier in the day when I thought that the Secretary of State for External Affairs might not be making a statement in the House, we filed for an emergency debate. It was on the basis of an understanding reached between the parties that the minister would be able to make the statement he just made that we withdrew that request for an emergency debate.

I am glad that we had an opportunity to push the House toward an occasion like this one in which the minister was able to give the government's view and we are able to say what we have to say about the situation in Panama.

I would like to begin by referring to the language of precedent. This could be a dangerous precedent. The problem, as we see it from our side of the House, is not that this is a precedent—never mind a dangerous precedent—but that it is more of a continuation of a way of relating to Latin America that the United States has had since the establishment of the Munro doctrine in 1823. Since then there have been many precedents, almost all of them dangerous, of American action in Central and Latin America. It is to this American tradition of intervention in Central America that we feel compelled to address ourselves in this situation.

Despite its arguable uniqueness, it has a lot in common with many other American actions in that area of the world. Of course every situation has its uniqueness, but there is a thread which runs through all of them, that is the persistent view held in Washington that when push comes to shove, when the United States cannot get its way and if it feels that it can be militarily successful, this is an option which it reserves to itself and which it expects its allies if not to approve of at least not to condemn.

Over the years it has been a problem, it seems to me, for Canada and for many other allies of the United States and NATO in other ways, that this expectation to be allied with the United States in one context is to be expected to approve of its actions in every other context, and this has brought discredit on a great many multilateral institutions, this American expectation.

The minister started out by saying that Canada supports non-intervention. You either support non-intervention or you do not support non-intervention. You cannot just support non-intervention and then when the United States decides that, in its judgment, the time has now come to violate this provision of the UN Charter and other accepted norms of international law that Canada will respect that judgment. I do not know if I would approve, but I would certainly have felt much better if the United States had sought the opinion of the

international community or the United Nations or someone else as to what should be done about this situation.

The fact of the matter is that we do not have a mechanism in the world for dealing with the existence of corrupt and undemocratic regimes. We need that kind of mechanism and we are not going to get that kind of mechanism until we have a reform of the mandate and the authority of the United Nations, which is something that Canada should be seeking, to get over this problem that presents an opportunity for superpowers to act in the way that the United States has just acted. It is not the right way to deal with these problems, to have the United States or, for that matter, any other superpower decide that they shall take the law into their own hands, which is exactly what the United States has done here. They have taken unto themselves the right to break international law when they so judge.

If we are trying to move to a world where we operate with any sort of genuine sense of international law, these kinds of things are more dangerous for that notion than they are for anything else. That is why so many of us over here are offended by it. We are not offended that General Noriega is no longer in power in Panama. We have had no use for General Noriega or his regime, or for that matter many other regimes that have existed down through the years in Central and Latin America. We have a record of opposing and being critical of those regimes which is second to none in this House. It strains credibility, frankly, for Conservative back-benchers today and indeed for the minister, unfortunately, to suggest somehow that because we have questioned the American action in this case, we are supporters of Noriega or this sort of thing. I would put the New Democratic Party's record of opposing undemocratic military dictatorships up against the record of the Conservative government, or for that matter, Liberal governments, any day of the week. We have nothing to apologize for.

• (1845)

I think it was Franklin Delano Roosevelt who said something with respect to some tinpot dictator somewhere that the United States was supporting. In answer to one of his advisers who said that this guy was a real son of a bitch, FDR replied: "Well, he may be a son of a bitch, but he is our son of a bitch".

What happened in Panama was that there was a son of a bitch who decided that he was his own man. This was not part of the plan. This has not been part part of the American plan for many years.

Did we hear whining and see crocodile tears about democracy in Panama for the 20 years of the military regime that preceded the elections that everyone is so concerned about now? Did we hear anything about that? Did we hear whining and see crocodile tears about democracy when the Somosa regime was in power for decades in Nicaragua? Did we hear about Duvalier in Haiti? The list goes on and on of military dictatorships which the United States has actively supported through military and economic aid and political comfort for many years.

That is the problem with this invasion. It is not that General Noriega has been removed from power. It is that we are asked to believe that the United States is acting out of some high morality in doing this. It is the rhetoric that surrounds the event which is as offensive as anything else.

What is truly offensive or disappointing, I guess, is that the Secretary of State for External Affairs does not seem to have a sceptical bone in his body about this. Perhaps he should have given just the slightest hint that maybe he does not believe everything that he is told and that maybe the United States does not have a record in Central America that deserves the kind of credibility which he has given it by his comments on this action.

The minister said that we need to have new thinking. I agree. I do not think that we can always be captive to historical events. It is not always a question of trying to assign blame for things that happened a long time ago. You give that up when you feel that the people who have been part of that history have changed their thinking. You do not just give it up for the sake of having a new thought. You give it up when you think that the people who have a record of acting in a certain way have changed their behaviour.

Frankly, it is very difficult for us here and for a great many Canadians to think that the Americans have changed their way of thinking about Central America when we have been treated over the last little while to American indifference to human rights violations in El Salvador, for instance.

Just today we tabled in this House a report of the Standing Committee on External Affairs and International Trade which abhorred the threat which has been made on the family of a Canadian aid worker in El Salvador, Karen Ridd from Winnipeg. Just today we tabled that report which abhorred not just the threat but the reality of assassinations, murders, bombings and everything else that goes on in El Salvador and yet the Americans do not seem moved by this. They say this is all part of the struggle for democracy, to speak of democracy in a way that I cannot fully comprehend.

• (1850)

Our point here, which I think is shared by a great many Canadians, is that there is an overwhelming sense of hypocrisy that sweeps over us when we listen to the American justifications for these actions. This is not to diminish the life of the American serviceman who was killed, or the value of his family or anyone else's family. People are being killed in Central America all the time, but they are not Americans. Even when they are Americans, they do not seem to count.

I recall the murder of the four nuns in El Salvador. This did not provoke an invasion by the United States. I am not saying it should have. I am just saying that there is a selectivity in the outrage that Washington displays from time to time with respect to human rights violations that is hard for us to swallow and hard for a great many Canadians to swallow. I think the Secretary of State for External Affairs would be well advised to show that he shares some of that skepticism. I do not know why he cannot do that.

The minister mentioned Nicaragua, and I am glad that he did. In committee a couple of weeks ago we asked him questions about Nicaragua. We asked questions about why the Canadian government had not spoken out against American funding of the opposition in Nicaragua. Certainly we would find it offensive if we knew, or if we could prove, that American money was being funnelled in to support opposition, or government, or anyone else for that matter, in a Canadian political election. Yet this is the kind of thing that the minister is not prepared to criticize and condemn.

We line that up alongside the government's unwillingness to show the same kind of courage that Canadians like Karen Ridd have shown in El Salvador by putting its political and diplomatic weight between the United States and the people of El Salvador. We get the sense that the government is reluctant to speak the truth about what is going on in Central America. It is not because we are anti-American. I know the minister likes to say this, but it is because we share the views of a great many other Americans about the role of their government in Central America.

Perhaps the minister wants to maintain that a great many of the churches in the United States are anti-American, that a great many other non-governmental organizations, trade unions, members of the House of Representatives who have criticized American policy in Central America are also anti-American, that the minister knows more about being American than they do.

It is a very simplistic, childish and offensive claim that people who make these criticisms of the United States are anti-American. We are not. As Canadians we are friends of the Americans and as the country of Canada and we have a responsibility as their friends to tell them the truth about themselves and what they are doing in the world. That is what friends are for. You expect that it will be your friend who tells you the morning after the night before that you acted like an idiot at the party, or that you were rude to someone, or that you should improve your behaviour with respect to this or that element of your personality. That is our obligation to the United States. It is not our obligation to keep letting them think that they are doing okay when we know full well that they are not. That is the definition, at least in my judgment, and I think in the judgment of a great many other people who know something about friendship. That is what friends are really for and that is the role that we ought to be playing with the United States.

The minister mentioned the Organization of American States. I think in a way he was saying that it was the failure of the Organization of American States to arrive at a negotiated settlement which set the context for the Americans having to do what they did.

There may be a grain of truth in that. The grain of truth is, of course, if the OAS had succeeded in reaching a negotiated settlement, then there would not have been the context in which the Americans could have decided to do this.

But it seems to me that one of the things that Canada could have done in its new role as a member of the Organization of American States was put off this situation by becoming more actively involved in trying to reach a settlement. But I do not expect the minister to work miracles overnight in the Organization of American States. We thought it was an organization in which we are not even sure ordinary things can be worked, never mind miracles. That is why we were skeptical about Canada joining. I think that many of the members of the Organization of American States may be more skeptical about Canadian membership after this when they see the uncritical attitude taken by the minister.

It may also be the case that they will be muted in their criticism of the United States because of a sense that they failed to solve the situation. I would not be surprised if publicly they were muted in their criticism of the United States, whether this would come out of a sense of their not having dealt with the situation properly or out of a sense of what we have always said about the Organization of American States, that in the end it was an organization dominated by the Americans. This is a judgment one will have to reserve as we hear more from the leadership of the OAS and as we learn more about the situation.

I regretted the view that was taken earlier in the day by the minister and by some of his colleagues, many for that matter on the other side, who tried to caricature the debate as us being somehow pro–Noriega. Nobody in his right mind thinks that this is the case. What we are debating is whether the end in this case justifies the means, whether the means has significance far beyond Panama and far beyond Central America, whether or not it might for instance damage the process of the improvement in east–west relations. I hope it does not. I hope that the Soviets will have a bigger picture of what is going on and that they will not let this get in the way of the steps that they are taking.

I hope that the Americans will show a similar attitude toward their geographical back yard, so to speak, that the Soviets have taken toward theirs, and relinquish the view that in the final analysis, everything that happens there is something that is their business in a way that entitles them to intervene. That is really what is at stake.

Finally, what is at stake is the need for the world to develop a way to get beyond the United Nations Charter, as it now stands, so that the internal affairs of corrupt and undemocratic regimes is something that is within the reach of the international community. We need to get beyond the notions of national sovereignty that protect nations which violate the human rights of its citizens, and the way to do that is not to approve and justify the licence of superpowers. The way to do that is to work a real reform of the United Nations.

The Acting Speaker (Mr. Paproski): It being seven o'clock p.m., pursuant to order made earlier this day, this House stands adjourned until Monday, January 22, 1990, at one o'clock p.m., providing the Speaker may recall the House at any time before the date for the sole purpose of Royal Assent.

[*Translation*]

A Merry Christmas and a Happy and Prosperous New Year––

[*English*]

May you all have a happy and a prosperous New Year. God bless.

The House adjourned at 6.59 p.m.

HOUSE OF COMMONS

Thursday, December 21, 1989

The House met at 3.43 p.m.

Prayers

[*Translation*]

THE ROYAL ASSENT

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

Rideau Hall
Ottawa

December 21, 1989

Sir,

I have the honour to inform you that the Hon. Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 21st day of December, 1989, at 3.30 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

ROYAL ASSENT

[*Translation*]

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

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

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

And being returned:

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

Bill C-29, An Act to establish the Department of Forestry, to amend the Forestry Development and Research Act and to make related amendments to other Acts—Chapter 27.

Bill C-47, An Act to amend the Canada Elections Act—Chapter 28.

[*English*]

Mr. Speaker: It being 3.54 p.m., pursuant to Order made Wednesday, December 20, 1989, this House stands further adjourned until Monday, January 22, 1990 at 1 p.m.

The House adjourned at 3.54 p.m.

HOUSE OF COMMONS

Monday, January 22, 1990

The House met at 1 p.m.

Prayers

[*Translation*]

VACANCY

OSHAWA

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely:

[*English*]

The Hon. J. E. Broadbent, member for the electoral district of Oshawa, by resignation, effective December 31, 1989.

Accordingly, I have addressed on January 2, 1990 my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

Pursuant to Standing Order 30, paragraph 6, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre) moved:

That, in the opinion of this House, the government should consider the advisability of entering into negotiations with the government of Ontario to establish a wilderness reserve or heritage park to protect the environmental uniqueness and importance of the Rouge River Valley system in Scarborough.

She said: Mr. Speaker, I am proud and honoured to introduce this motion today on behalf of the people of Scarborough and indeed all Canadians. I want to thank the hon. member for Scarborough—Rouge River for seconding this motion.

It is fitting that an environmental issue is debated as the first order of business for this House at the start of the 1990s. This motion signals, as the beginning of the debate for this year, the importance that Canadians have placed on the preservation of our environment.

This votable motion calls on the Government of Canada to enter into negotiations with the Government of Ontario to establish a wilderness reserve or heritage park to protect the environmental uniqueness and importance of the Rouge River Valley system in Scarborough.

The Rouge River Valley has a great history which dates back to the ancient Indian tribes that first settled in the valley some 2,000 years before the birth of Christ. The first European settlers explored what was then called the Ketchie Sepee or great river in 1793. The river was later renamed the Rouge River because of the colour that was added to the water from clay deposits along the shoreline. Today, the Rouge River Valley system is about 10,000 acres of wilderness reserve in the midst of the largest city in Canada, metropolitan Toronto.

Many questions have been raised about the Rouge and its significance to our community and to our country. As the member of Parliament for Scarborough Centre and one of the first members to have become involved in this issue I want to take this opportunity to respond to the questions and explain why this is such an important and significant national issue.

First, where is the Rouge River Valley? The Rouge River and its water system are located in the north eastern part of the metropolitan Toronto. The watershed begins north of Richmond Hill and Whitchurch—Stouffville and flows through Markham and Pickering and Scarborough before emptying into Lake Ontario. The system's many tributaries make up three main water courses: the Rouge River, the Little Rouge River and Petticoat Creek.

The most environmentally sensitive area of the Rouge is located in north eastern Scarborough. Anyone who has ever visited the metropolitan Toronto zoo has seen a very small part of the Rouge Valley and can appreciate its size, its beauty and indeed its uniqueness.

• (1310)

Why is this area so unique and worthy of preservation? The Rouge River Valley system is an incredible natural resource. The valley contains three areas of Carolinian forest designated by the World Wildlife Fund of Canada as critically unprotected. The area also has over 70 different native tree species which is more than can be found in British Columbia's South Moresby Island.

Among the over 40 varieties of fish in the Rouge River two are rare nationally. Of the over 70 bird species the red-shouldered hawk and Cooper's hawk are nationally endangered. Among the over 400 different kinds of flora in the valley 12 are nationally rare, 11 are provincially rare, and 92 are regionally rare.

The forests in the valley are inhabited by deer, bald eagles, foxes, coyotes and 16 other kinds of mammals. In addition, over 63 archaeological sites have been discovered in the valley, some of which are over 9,000 years old.

And all of this, Mr. Speaker, is less than a 40-minute drive from the corner of Bloor and Yonge Streets in downtown Toronto.

Why and how has the valley remained in this natural state? It is mainly through chance that the Rouge Valley has been spared the fate of the Don and the Humber valleys in Toronto.

A great deal of land in Scarborough and Pickering was acquired by the provincial government around 1972. In fact about 80 per cent of the lands in the Rouge system is presently under the jurisdiction of the Ontario Provincial Government. About the same time the federal government acquired land for the proposed Pickering airport. I understand that the Rouge area had always been intended to be a green space between the city of Scarborough and the proposed airport. When the airport plan was shelved by the federal government the Rouge area continued to remain in its natural state ever since.

This has now given us the opportunity to have the entire Rouge River Valley system preserved.

What are the threats against the valley today? It is incredible to think there are those in our community who would rather use the Rouge as a garbage dump, a freeway, or as building lots for million dollar mansions. The threats to the future of the valley are very real, growing, and very disturbing.

The Metropolitan Toronto Council recently approved the use of the Rouge as a potential dump site. The Province of Ontario is considering using the area as a throughway for an eight-lane freeway. The recent leaked provincial cabinet document has called for further development in the valley. Developers in the city continue to push for the construction of million dollar mansions in some of the most sensitive areas of the Rouge.

The Peterson government has failed to come forward to save the valley system.

What alternatives have been proposed? Due to the outstanding work of the Save The Rouge Valley System organization, a proposal has been put forth to preserve the valley as a 10,000-acre park.

Save the Rouge Valley System is a remarkable community based volunteer organization. Started over 17 years ago, SRVS has become one of the largest environmental groups in metro Toronto providing extensive information and education on environmental protection and conservation. SRVS has been awarded the Scarborough environmental award in each of the past five years and its efforts to save the Rouge Valley have gained national recognition.

I have been pleased to work with Jim Robb, president of the Save the Rouge Valley System, Glen De Baeremaeker, Kathy Gregorio, Gloria Rezler, and Lois James. Ron Moeser, who is now a Scarborough city councillor has also worked tirelessly with SRVS as the chairman of the Coalition of Scarborough Community Associations. The mayor of Scarborough, Joyce Trimmer, has also been actively involved in efforts by the SRVS to save the Rouge.

Each week the SRVS conducts walking tours through the Rouge. The Scarborough Board of Education has established an outdoor education centre in the Rouge, where thousands of school children visit and appreciate the beauty and the mysteries of nature. It is a tremen-

dous place for families to be, to explore and to appreciate. Speaking of families, I am pleased that my two sisters, Lettice McKenzie and Shirley McAllister, have travelled some distance to be in this chamber gallery today to witness this debate.

There are alternatives to the development projects that threaten the valley. Recycling initiatives have been proposed as an alternative to the metro dump site. Improved recycling could reduce the amount of waste generated in metro by up to 25 per cent, but it is unthinkable to put garbage in this magnificent tablelands that would destroy the ecosystem of the Rouge. We want this magnificence preserved.

The SRVS has also presented the province with an alternative to the government's freeway proposal. SRVS has suggested that instead of destroying the Rouge Valley with an eight-lane freeway a number of existing roads could be expanded to ease the traffic problems in eastern Metro. For example, the extension of Morningside Avenue to link in with Markham Road and the widening of Highway 48 farther in Pickering, Brock Road and County Road 23 in Durham region are appropriated for expansion.

There are real alternatives which need to be acted upon. The park concept proposed by the SRVS would not only protect the Rouge as a wilderness area, but it would also create new recreational and tourism opportunities for the area. The proposed park would also preserve a number of farms and agricultural areas within the valley system. Some of these farms, such as the one owned by Russ Reesor, have been part of Scarborough's history for over 100 years. The historical buildings that are there are worthy of preservation.

However, most important of all, a park in the Rouge would provide millions of Canadians with a wilderness reserve that is accessible by city transit. Where else in the world could residents of a city the size of Toronto take a bus or a subway to such a huge wilderness forest?

You may ask: Why should the federal government be involved in this issue? The Rouge River Valley represents a truly unique environmental challenge. The federal task force report on the Canadian Parks system entitled "Our Parks, Vision for the 21st Century" called for the establishment of "national heritage parks" to protect wilderness areas that would not normally fall under the criteria of a national park. The Rouge Valley fits perfectly within the heritage park concept. The national Minister of the Environment recently called for a huge expansion of the national parks in Canada, and he included the Rouge Valley in his announcement as an example of an area of national environmental significance that should be protected.

But, is a park in this valley a feasible concept and who supports it? Yes, saving the Rouge Valley as a park is feasible and the support for this concept is overwhelming.

Over three-quarters of the land in the proposed park area is already owned by the people of Ontario through the provincial government. The plan put forward by the SRVS blends existing development with protection of the wilderness uniqueness of the valley system and the recreational uses.

• (1320)

The municipal councils and those that border the Rouge have endorsed and voted for saving the valley as a park. Two of those communities, Scarborough and Markham, which contain the majority of the proposed park area, have also amended their official city plans to accommodate the proposed park.

The Royal Commission on the Future of the Toronto Waterfront, chaired by the former Toronto mayor and federal cabinet minister, David Crombie, has fully endorsed the park proposal. I was pleased to make a presentation to the commission and bring to Mr. Crombie's attention the importance of including the Rouge Valley within the scope of his study.

Last summer Mr. Crombie released his interim report of the commission, and I would like to quote from it: "The Rouge Valley is a unique resource for the metropolitan area, the last opportunity to preserve a significant urban wilderness in the heart of the greater Toronto area. Accordingly, the royal commission recommends that the Rouge River Valley be protected as a natural heritage park. Therefore, the province should co-operate immediately with the federal government in establishing such a park as outlined in the proposal of Save the Rouge Valley System group." That is a significant recommendation and I commend the royal commission.

In addition to the royal commission, over 50 local and national organizations have added their support to saving the valley. Those groups include the World Wildlife Fund of Canada, the Western Canadian Wilderness Committee, the Canadian Nature Federation, the local chapter of the Canadian Auto Workers, the Scarborough

Chamber of Commerce, and the Chiefs of Ontario, all of which support the creation of a park in the valley.

Perhaps most significant of all for this chamber is the fact that the federal government, under the leadership of the former Minister of the Environment, the Hon. Tom McMillan, has made a $10 million commitment to the Province of Ontario to help establish a park in the valley.

I want to read briefly from a letter that Mr. McMillan sent to the Premier of Ontario the day after I hosted the minister on a tour of the valley. He states in this letter: "Other cities of the world have preserved some of their most expensive real estate in parks despite development pressures. Central Park in New York, Hyde Park in London are but two examples. Such green spaces have attracted and delighted generations of visitors and residents, to the lasting credit of the governments that assure their preservation. For the benefit of Toronto residents, other Ontarians and all Canadians, I urge you likewise to place environmental values ahead of short-term economic gain and to put an end to any possibility of development in the Rouge."

A year after Mr. McMillan toured the valley the present Minister of the Environment also visited the area and restated our government's commitment. During that visit the minister called the area "a miracle" and stated that a dump or a freeway in the valley would be completely unacceptable to our government.

Just 14 months ago the Prime Minister of Canada reiterated his support on his visit to Scarborough. The community was most appreciative of his enthusiastic endorsement of the park and you, Sir, the Speaker of the House of Commons, joined me on a tour of the valley last fall and added your very strong support for the preservation of the this unique area.

So you ask, Mr. Speaker, why then hasn't the future of the Rouge been secured? The fate of the valley rests with the Ontario Government and Premier David Peterson. Last fall, the legislature of Ontario gave unanimous approval to the Progressive Conservative Party motion to save the valley. However, to date no concrete action has been taken and the province has still not accepted the federal government's offer.

As members of Parliament representing all Canadians, we have an opportunity to join the thousands of people from across Scarborough and Canada who are fighting to save the Rouge. This is an urgent issue. This is not a time for half measures. This is the time for the Rouge Valley system to be saved in its entirety. It is time that the provincial Government of Ontario understood the importance and the urgency of the Rouge being preserved. Saving the Rouge Valley system is an opportunity to put talk into action because once an area like the Rouge is lost it is gone forever. As the World Commission on the Environment said: "We have not inherited the earth from our parents; we have borrowed it from our children".

I urge all members of the House of Commons to come together, united, to support this significant environmental issue. As we begin a new year and a new decade, let's prove to Canadians that we are ready to take action to save the Rouge Valley for our children and for generations to come.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, since my election to the House of Commons about 14 months ago there have been many issues on the Order Paper of significance to the people of my riding, Scarborough—Rouge River. Today, the issue we debate deals directly with a large portion of land in our riding. The people of my riding recognize that the particular challenge of preserving the Rouge Valley lands is multi-jurisdictional and thankfully non-partisan.

This is not the first nor the last debate on the issue of setting aside lands for parks or conservation. All levels of government have learned the need to set aside space for recreation and parks. We have in this country a stunning array of national parks from Signal Hill to Pacific Rim, from Pelee Island all the way up to the new park on the tip of Ellesmere Island.

More recently we have had the successes of South Moresby in which our Speaker took a keen interest and other initiatives currently in relation to the Carmanah forest and Temagami in Ontario. Although each of these areas has its own special character, the Rouge Valley is in one way different from all the rest. Unlike these other areas, the Rouge Valley lies within a major growing

metropolitan area and is now lying in the path and face to face with the concrete steel and asphalt of urban development.

There are at least two major categories of reasons why the Rouge Valley must be preserved. The first has to do with the intrinsic value of its natural attributes. The second category relates to where we stand in time and in relation to man's future and his ability to grow and develop.

On the first count, the Rouge Valley is the last significant wildlife area remaining in metropolitan Toronto. As my colleague from Scarborough Centre has reviewed, it is home to approximately 78 species of birds, 35 species of fish, and 63 identified archaeological sites. It has metro's last Class II wetland and its largest continuous forest. There are many, many cogent reasons for preserving the Rouge Valley.

In relation to the second class of reasons I would like to start by saying that historically the presence of a natural environment or a vulnerable species has rarely stopped man before from plundering what stood in his way. The list of endangered and extinct species is long but, more important, the list can start right in our own backyard.

• (1330)

They include the whooping crane, the bison, the Labrador duck, whales and many others.

However, we have reason to believe that we are capable of continuing to grow and develop without degrading, killing and adulterating everything that stands in our path; that we are capable of pursuing long run development in a manner that is compatible with our global environment and the interdependent ecosystems which comprise it. We call that sustainable development.

In the early years of this century, in Toronto, there was no need to distinguish between the Don River, the Humber River, Etobicoke Creek and the Rouge River. We had lots of clean rivers, lots of ecosystems intact, but when only the Rouge River is left, maybe we can understand that if this one goes like all the rest, then there will be none left.

These are some of the reasons why the Rouge Valley must be saved, not just because it is the last chance to preserve a river valley in metropolitan Toronto, not just because of the natural assets contained in it, but also because we must prove to ourselves in North America that we can pursue a sustainable development process, that we are in fact in control of our destiny and that we are in control of our planet's future.

We have here an opportunity to make that statement. Standing face to face with one of the hottest, most expensive, aggressive and possibly the meanest urban development market in North America, I want that statement to be made by my city, by my province and by my federal government.

There is another facet of this initiative that cannot be overlooked. The Rouge is not just a piece of real estate or a greenbelt. It is an ecosystem. Every facet of life within it is affected by what man does nearby. The headwaters must be protected. The table lands are also an integral part of that same ecosystem. That is why there is opposition to the provincial proposal to build an expressway over these lands and across the valley, when an alternative is available.

That is why there is opposition to the construction of housing on these lands. As if to create a theatre of the absurd, metropolitan Toronto recently proposed that a portion of the Rouge lands be dedicated as a new dump site.

If the Rouge Valley ecosystem is to be saved, it must be protected from all of the man-made, adverse environmental threats surrounding it. The initiative to create a park and preserve the Rouge Valley is now in the hands of government which already owns about 80 per cent of the involved land. The federal government has made a financial commitment. The city of Scarborough has imposed compatible zoning criteria. It is now up to the Government of Ontario to take the necessary steps to achieve that objective. Block the expressway and the housing, abandon the dump, dedicate the necessary land to the park and commence the planning and implementation.

I urge this House to adopt this motion.

Some Hon. Members: Hear, hear!

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, at the outset I want to offer my appreciation and congratulations to the hon. member for Scarborough Centre for giving us an opportunity to debate this issue. Several weeks ago, the hon. member for Scarborough Centre, the member for Scarborough—Rouge River and myself had an opportunity at the initiative of the hon. member for Scarborough Centre to host a gathering here on the Hill for those residents who are very concerned about what is happening to the Rouge River Valley and to

allow other members of Parliament to meet with those individuals who were concerned.

I want to say that the presentation they gave at that time was very impressive. I do not think there was a member of Parliament who left that reception not thoroughly convinced that governments had to act to protect this ecosystem.

I want to assure you at the beginning of this debate that my colleagues in the New Democratic Party caucus fully and unconditionally support this motion. We urge that there not be a prolonged debate, that the matter is so urgent and so apparent and so obvious that it could be dealt with prior to two o'clock this afternoon. We would be prepared to give it that kind of support today.

I find, for the very reasons that the two speakers before me made in their speeches to the House, that what we are debating here today is unacceptable. If the developers and those who wish to destroy this valley manage to accomplish their intentions it would be obscene. I cannot find language to use that would be any less strong than that. It would be an absolute obscenity to allow developers to build a highway through this valley, or to build multi-million dollar homes in this valley. The final obscenity would be to place a garbage dump in this valley.

The Rouge River Valley on its own is a wondrous thing. It is the only natural wildlife area in a place like metropolitan Toronto. It has wildlife and fauna that cannot be found anywhere else in Canada. Yet there are forces out there which wish to destroy it, all in the name of development.

Next month I will celebrate 10 years of being in this House. In that 10-year period I have seen a new awareness in Canada and, indeed, globally and a growing and grave concern for the environment. After all that has been said about the greenhouse effect, about what we do to rivers and lakes and our air, when we use them as garbage dumps to dispose of our waste, we find ourselves standing here today debating this very matter.

We are debating it because we have a provincial government in Ontario that campaigned in two elections on environmental matters, made itself out to be the protector of the environment and yet is prepared to listen to arguments such as we have heard here today that would destroy a natural habitat right in the centre of the major metropolitan Toronto area. It boggles the mind. Any way that one looks at this it presents at best a puzzled kind of rash reasoning. It defies normal human behaviour.

I do not want to take up too much time because I think both members who spoke before me said as much as I could possibly say. I do want to say that this matter is so urgent that the federal government has recognized and, indeed, has made a proposal to the Government of Ontario to start negotiations on how to save the Rouge Valley system.

All I can say here is that I urge the Ontario government and people in this Chamber who have any influence with members of that government to urge them to sit down with their counterparts at the federal, municipal and regional government levels to come to a sensible solution to save the Rouge Valley system.

• (1340)

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I am pleased to rise and support this Private Member's Motion introduced by the member for Scarborough Centre on the advisability of entering into negotiations with the Government of Ontario to establish a wilderness reserve or heritage park to protect the environmental uniqueness of the Rouge River Valley system in Scarborough.

Although I wholeheartedly support this motion, I want to stress the importance of not confining the debate to the geographic area of Scarborough. Half a mile south of the village of Vandorf where I live lies the most northerly headwaters of the Rouge Valley system. Indeed, nearly half of the Rouge River Valley system is in my riding of Markham—Whitchurch—Stouffville. The Rouge watershed stretches from Richmond Hill and Stouffville in the north through the town of Markham and south into Scarborough where the Rouge River empties into Lake Ontario.

Like any chain, the Rouge system is only as strong as the sum of its parts. When one link in the chain is threatened, the survival of the entire system is threatened. The question we must ask ourselves then is: can we preserve a healthy river system within a growing urban area? This presents a great challenge to all politicians, planners, developers and residents. The key is to ensure that all development activity is kept well

away from all environmentally sensitive areas, particularly the network of water courses and their supporting table lands. With wise planning and buffer zones around all rivers and tributaries, we will ensure that towns like Markham retain their environmental quality and natural heritage.

The park proposal put forward by the Save The Rouge Valley System organization is based on proven environmental planning principles that must be respected if the Rouge Valley System is to be maintained as a healthy and productive ecosystem.

The proposal encompasses 4,338 hectares of watershed area. This 4,338 hectares encompasses only 12 per cent of the entire watershed area. Of this 12 per cent, well over 75 per cent of the land is owned by the Government of Ontario. Most of the remaining lands are flood prone and therefore appropriate for acquisition by the Metro Toronto and Region Conservation Authority.

I recently spoke with Stephen Marshall of the Save The Rouge Valley System in Markham. Mr. Marshall feels that the proposal put forward by his organization could best be achieved through a joint federal–provincial effort. He also said: "A provincial or joint federal–provincial park would really put Markham on the map. As Markham grows this park with increased protection of other significant natural areas will ensure that our community will continue to be a liveable healthy and beautiful community".

Never before have I witnessed such widespread public concern over an environmental issue as I have with this one. It is obvious that people are aware of what is at stake here. To lose this beautiful gift from nature to a garbage dump or another subdivision or a major highway would be criminal. It would not be an admirable legacy to pass on to the next generation of Canadians.

In September 1988 the federal government offered to contribute $10 million toward saving metro Toronto's Rouge River Valley as a provincial park or ecological reserve. At the time former environment minister Tom McMillan nicely summed up the situation when he said: "It would be a major achievement for our generation to ensure that it (the Rouge) survives forever". That was in *The Globe and Mail* on September 16, 1988.

The rate of urbanization and development is accelerating in the Rouge Valley and has far surpassed any meaningful progress by any one level of government to provide environmental protection. Stream bank erosion, illegal dumping and sewers channelled directly into the water courses have degraded the Rouge River substantially. If this abuse is allowed to continue much longer, it will be too late to save the Rouge from gradual destruction. As more and more precious farm land is converted into housing projects and as the habitat of wildlife grows smaller and smaller, the time to make a difference and stop this madness grows shorter and shorter. We need urgent action and we need it yesterday.

To this end, Mr. Speaker, I commend the member for Scarborough Centre for introducing this motion and I urge all members to support it as a positive first step toward saving the entire Rouge ecosystem from harmful development proposals.

Our ultimate goal for the rouge must be a park of the kind advocated by the Save The Rouge Valley System group which, as I mentioned earlier, is based on environmentally proven standards.

The 4,338 hectares of parkland envisioned, most of which is publicly owned land, constitutes all of the ground over which the Rouge River drains. This relatively small tract of land is vital to the preservation of the Rouge River ecosystem.

This proposed national heritage park envisions four broad management areas with complementary objectives. First, a natural reserve to protect and enhance all animal and plant life; second, passive recreation to provide high quality, low-impact outdoor education and recreation opportunities; third, a historic reserve to preserve the cultural heritage of the Rouge Valley system, including all archaeological evidence of native cultures; and finally the development of secondary tourism attractions that complement the exceptional natural and cultural assets of the area.

In its interim report of August 1989, the royal commission on the future of the Toronto waterfront recommended that the Rouge River Valley be protected as a natural heritage park. Spurred by thousands of phone calls, letters, and a record-breaking attendance of hundreds of Save The Rouge supporters at public meet-

ings, Scarborough council decided on July 11, 1988, to zone 5,000 acres around the lower Rouge River for natural environment and rural uses.

Although the Government of Ontario has stated its intentions to save the Rouge ecosystem, the province has yet to act on the federal government's year-old offer of $10 million toward the establishment of a natural heritage park. The will is clearly there to save the Rouge. What is missing is co-ordination and direction. I therefore feel that it is essential that this House offer its unconditional support to this motion to enter into negotiations with the Province of Ontario. The metro area land was originally acquired to create a regional park. In late 1989 the provincial legislature endorsed the creation of a provincial park.

The federal government has offered financial support. What we need now is action. The motion that is before us today for debate recognizes the urgency of the situation and calls for decisive action. It is a small miracle that the Rouge River Valley system has survived this long. If we want to ensure that it continues to survive then a logical first step would be to support this motion.

In closing, I am hopeful that these negotiations will lead to the adoption of the proposal advocated by the Save The Rouge Valley System organization. This would ensure that the entire system, not just part of it, is inherited by the next generation.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you probably know from your own experience, whenever it comes to the allocation of land or the setting aside of land for purposes other than transportation or construction of highways and highrises, it becomes an extremely difficult experience. The Rouge River Valley is no exception to that experience.

Usually we know and we hear that there are important conflicting interests that have to be dealt with and there will always be when we come to the pressure of putting land aside for this type of use, either recreational or wildlife. There will always be excuses put forward whereby this project cannot be implemented.

I submit that this is not a question or an issue that can be resolved on technical grounds because all the technical questions and objections will never be satisfied and answered in a satisfactory manner. This is a political decision, a decision that requires political will.

Evidently in this House today, as a result of the initiatives taken by the member for Scarborough Centre and the member for Scarborough Rouge River, there is political will being generated in this Chamber and the message in a few minutes will be loud and clear that the elected members of all three parties in this House endorse and support enthusiastically the idea of putting aside this land for recreational and wildlife purposes for future generations.

• (1350)

That ought to be registered very clearly and firmly at Queen's Park. We cannot resolve this matter on questions related to transportation, hydro transmission lines, you name it, because we will be involved in this type of exercise for years to come without finding a satisfactory solution.

The point related to political will is therefore of paramount importance. It is important, therefore, in that context also to say a word of appreciation about the role that has been played in highlighting and promoting this issue by the Save The Rouge Valley System association which has not only produced interesting and intelligent material but also has advanced the issue by way of presentations to various groups across metro in a relentless manner over the last two years. Great merit has to go to this particular group if this project ever becomes a reality.

What we are talking about here is the quality of life in metropolitan Toronto. We already missed a golden opportunity with the harbourfront lands which were set aside in 1971. Because of mindless political decisions and poor leadership, they no longer were the object of what was originally intended to be an urban park but became gradually what it is now, namely an almost fully developed piece of real estate.

We have had that experience and we are tired of that type of drifting that has taken place when there was a golden opportunity for the people of Toronto to re-establish contact with its major geographic asset, namely its own Lake Ontario. Now we have another opportunity. We do not want to miss it. It is located perhaps not as

ideally as harbourfront but nevertheless it is located close enough to the population concentration of 2.5 million, as others have already said, to make it an extremely worth-while concept for recreational purposes and for the enjoyment of future generations.

Having missed on harbourfront we do not want to miss on the Rouge River Valley. Therefore we support fully this motion today in the hope that similar momentum will be generated in the Ontario legislature so as to bring this matter to its final and happy conclusion once and for all.

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I am delighted to join with my colleagues today in full support of the motion which has been presented by the hon. member for Scarborough Centre. Even though I am a rural member and some 150 miles from that very wonderful area, the Rouge River Valley, I certainly support this and I am delighted to hear that from all sides of the House there is unanimous support. We hope that this message will get to the Ontario government and of course to the Premier of Ontario.

The Rouge Valley certainly is worth protecting and, as has been mentioned by previous speakers, particularly because of its unique situation so close to a great metropolitan area such as Toronto. The Rouge, where the river flows into Lake Ontario, is one of the few Toronto beaches that has managed to stay open for swimming in recent years. Of course, I think we are all aware that when the summer heat comes along, signs go up prohibiting swimming in this part of the metropolitan Toronto-Lake Ontario beach area, and I am delighted to know that this is one that is still reasonably clean.

Of course it has also been mentioned that the Rouge Valley is a naturalist's paradise. There are more different kinds of trees in the Rouge Valley, for example, than there are in South Moresby, one of Canada's most ecologically diverse areas. The Rouge Valley has been designated as one of the 36 most important remaining examples of the Carolinian Life Zone in Canada by the Wildlife Fund of Canada, the Nature Conservancy of Canada and the Ontario Heritage Foundation.

The Rouge Valley is a treasure, made all the more valuable by the fact that it is located within or adjacent to the borders of the largest and greatest city in Canada, Toronto. Toronto is Canada's most heavily populated and definitely economically advantaged city.

Like modern cities the world over, Toronto can be a bustling, noisy place where fumes and soot from automobiles bring tears to the eye and where the hectic pace of life sometimes makes residents long for a place where they can find a little peace and quiet, a place where they can get in touch with nature and restore themselves to tranquillity. How fortunate the citizens of metro Toronto are to have access to just such a place, located right on their doorstep. The residents of Toronto, the people of Ontario and for that matter all Canadians can take advantage of this opportunity to save a magnificent pastoral park for urban dwellers if, and only if, the Rouge Valley is preserved.

Vancouver is already blessed with just such a park. The existence of Stanley Park goes a long way toward explaining why Vancouverites consider their city to be the most beautiful in Canada. New York City has Central Park, located right in the heart of Manhattan. Londoners can enjoy Hyde Park, Parisians the Bois de Boulogne.

All are vast reserves, located at the centres of vast metropolises. All are monuments to civic foresight in preserving land that could otherwise have been developed.

I would like to sit down at that this time, and trust that the House will pass this motion.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

It being very close to two o'clock the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

PARKS

Hon. David MacDonald (Rosedale): Mr. Speaker, it is appropriate that on this day I refer to a very historic program put forward by the World Wildlife Fund last fall. This book, *Endangered Spaces*, which was circulated to all members of Parliament, all members of legislatures, provincially and in the territories, is a very cogent plan produced by 22 authors to complete in the course of the next decade the national parks system and the provincial parks system so that we may have a complete representation for all time to come of the historic areas, the natural areas of this country.

We are in a position federally where about 50 per cent of our park system has been completed. Some very encouraging leadership has come from the Minister of Environment with respect to pursuing the completion of that plan over the course of the next decade. We also need the full and active support of provincial governments as was indicated here today. It is my hope that with the kind of all-party support and agreement on the Rouge just a moment ago, we may see this as a logical extension to adopting the plan and program of endangered spaces that is so important for the future of this country.

* * *

TRADE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the Mulroney trade deal has done it again. There have been more factory shut-downs and more employee lay-offs. It hit home for me last week. My father, a dedicated employee of IBL Industries, located in the Conservative held riding of Burlington, received his pink slip. An official with the company states that the trade deal is largely to blame in the decision by the company to lay off employees permanently and to enter into receivership.

The irony is that while promising secure access to the U.S. market, the Conservative government actually managed to have tariffs imposed on some Canadian companies where there were none before the deal came into effect. Prior to January, 1989, IBL Industries had free and secure access to the American market, but because the Conservative government did not stand up to American negotiators, their products became reclassified and they now have to pay duties.

Many Canadian firms have already moved south of the border. Canadian companies like IBL have lost important contracts to competitors in the U.S. Thousands of jobs, including my father's livelihood, have been lost in the shuffle. The trade deal is a misdeal and the Tories should fold.

* * *

[*Translation*]

TRANSPORTATION OF DANGEROUS GOODS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, last Saturday, January 20, 1990, a derailment occurred in the municipality of Val d'Or, Quebec, at mile 36.1 of the Val d'Or subdivision. This derailment, which involved 11 cars, including four carrying gas and heating oil, made it necessary to call in CN's emergency teams, local firefighters and officers of the municipal police force and the Quebec Provincial Police.

One of the cars lost its cargo of 78,000 litres of gasoline while 150 gallons of heating oil escaped through the valve of a tank car. The remaining cars that went off the track contained copper concentrate.

CN experts quickly arrived on the scene and established a safety perimeter.

Mr. Speaker, CN's directors in Montreal have cut the number of sectionmen in Abitibi during the past few years, and the Canadian government should follow the recommendations given in the National Transportation Agency of Canada's report, released on January 4, 1990, on causes and circumstances connected with defects in U.S. tank cars.

* * *

[*English*]

THE ENVIRONMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I rise today to urge the Minister of the Environment to do his job properly. I am not the first person with this request. On December 28, the Hon. Justice Muldoon also ordered the minister to follow the law and to conduct a real environmental assessment of the Rafferty and Alameda dam projects.

This is the second time the courts have ruled against the government on this project. The minister still has not announced an independent panel to study the environmental impacts of the Rafferty–Alameda dams. He has eight more days to do so.

When he announces the panel, the minister should also revoke Saskatchewan's licence and stop construction on the dam. The Devine government in Saskatchewan continues to build a dam 24 hours a day, weather permitting, and has now completed some 16 per cent of the project.

What will happen if the panel finds the project to be environmentally unsound? Will the Minister of the Environment travel to Saskatchewan and tear down the dam? I doubt it.

Surely the minister can see how ludicrous is his situation. The people of Saskatchewan and Manitoba care about their environment and will not give up until the minister can prove, without a doubt, that the project is sound. Two courts have ruled against the minister. Why does he not use this opportunity to get it right?

* * *

UKRAINE

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, today marks the seventy–first anniversary of a very special event in Ukraine, the creation of a united Ukrainian National Republic. However, the decades following that event were tragic ones.

But today we are witnessing an unprecedented revival of independence in Ukraine. So it is a particularly fitting time for everyone to celebrate with special optimism one of the great moments in the history of that country.

To commemorate that event, Ukrainians formed a human chain between Lviv and Kiev. Also yesterday, Canadians of Ukrainian origin formed a similarly symbolic human link by the eternal flame on Parliament Hill to reaffirm their quest for independence for their country of birth and heritage.

Today I call on the Prime Minister and his government to commemorate this special Ukrainian day by taking bold and determined steps to sustain the progress of freedom in Ukraine. We in Parliament shall help keep the flame of that great national event forever burning in the hearts and minds of all freedom loving Canadians.

* * *

MEECH LAKE ACCORD

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, even though the wording of the Meech Lake Accord states that the words "distinct society" do not give the government of the Province of Quebec additional authority, these words still concern many Canadians. In fact many areas and sectors of Canada already have distinct needs and solutions designed exclusively for their own regions.

For example, in Atlantic Canada we need a distinct economic development agency and we have it, ACOA. In western Canada, their needs are different and they have a distinct program called the Western Diversification Fund. We call for distinct approaches to help the prairie provinces' wheat producers and another for the Atlantic fishery. We have a distinct program for freight transportation in Atlantic Canada, and on and on.

My point is that all regions of Canada already have distinct solutions to meet their needs and the words in the Meech Lake Accord do not change the situation for any part of Canada. I respectfully urge those dissenting provincial premiers to actively make every effort to resolve their concerns and pass the Meech Lake amendment as part of our Constitution.

* * *

FIREARMS

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, a young woman was murdered in my constituency last week. There was no apparent motive behind the killing; she was just gunned down. The suspect in the case has been described as depressed and suicidal.

This raises serious questions about the way firearms acquisition certificates are issued to purchasers of restricted weapons in Canada. When a person applies for a firearms acquisition certificate, he is asked whether he has had a mental disorder. If he replies "no", there is no way the police can confirm it. They have no right to demand to see his medical records.

The process needs fixing. Police should not be sent snooping into medical records but persons wanting handguns and semi–automatics should be required to

produce a medical certificate that, in effect, says he has no mental problems. After all, a medical certificate is needed before getting a Class 1 driver's licence in my province.

I appeal to the Minister of Justice to act now. It is just too easy to buy a restricted weapon in Canada. Let us act now, before more lives are lost.

* * *

VIA RAIL

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, contrary to what Canadians and foreign tourists might believe after listening to the media and the oppositions critics last week, VIA Rail is still running passenger trains in Canada.

The first Canadian train run only began in the 1950s and, like most things with VIA Rail, it ran late. Its cancellation was late, years and hundreds of millions of taxpayers' dollars late.

The last Canadian—it sounds like a title from some Harlequin Romance—was full. It was full of so-called train buffs who admitted they had not ridden the train for years and it was full of the media. The media had not used it for 30 years but took a free ride to write or report a story.

What is in store for Canada now that we have experienced the last Canadian media rail circus? Real train buffs will still be able to travel the rails, only this time the trains might be full and taxpayers will not be forced to pay for the train buffs' nostalgia.

The media and a few of the opposition members across the way can resume travelling by air as they have for years. Not for them, the slower romantic clickety-clack of the passenger train.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in 1983 the Liberal government recognized the necessity of a national water policy and launched an inquiry. It produced in 1985 a report called *Currents of Change*.

In 1987, this government released a paper entitled *Federal Water Policy*, a weak document which had little effect on government policy. Although it promised that international water projects would be subjected to environmental assessment and review processes, the environment minister had to be taken to court twice to make him enforce his own law in the case of Rafferty-Alameda dam project.

That paper also promised a legislative framework for water in Canada. Yet today, seven years later, after launching that inquiry, despite copious rhetoric on sustainable development, this government has no national water legislation, no national standards, and no legislative commitment against diversions and export of water.

We therefore must call on this tired government and urge it to introduce into this House meaningful and substantial water legislation.

* * *

• (1410)

CANADA POST

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, there is a serious deficiency in the federal heritage buildings' legislation under the jurisdiction of the Minister of the Environment. That legislation is being taken advantage of by the Minister of Public Works and the minister responsible for Canada Post.

Federal heritage policy requires a degree of maintenance and protection for identified federal buildings in Canada, some of which are currently owned by Public Works and leased to Canada Post.

While Canada Post continues to withdraw its commitment to operating post offices, particularly in rural Canada where the only federal presence in the community is the federal post office, the Minister of Public Works, through a loophole in existing legislation, allows Canada Post to operate outside compliance with the heritage buildings legislation. As a result, heritage structures like the post office building in Wilkie, Saskatchewan are left in need of maintenance and restoration and identified for sale to the private sector.

It is time to renew our commitment to postal service in rural Canada and through the Minister of the Environment to strengthen heritage legislation and prevent the loss of even more heritage structures across Canada.

HOUSE OF COMMONS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, as we get down to business on the opening day of Parliament 1990, I thought it might be helpful to members to provide an update on just what the issues are, and for the viewers at home where each party stands.

First of all, on the GST, nobody likes it, not even Mike Wilson. But he has the guts to do what is right for the country.

On the Meech Lake Accord, the NDP members like it so much they want two. The Conservatives support bringing the country together and, as Liberal Premier Peterson says, "It really does not matter what the federal leader thinks".

On leadership, the Tories are happy, the NDP have elected their interim leader and the Liberals continue the search.

* * *

HARBOURS

Mr. George Proud (Hillsborough): Mr. Speaker, Canadians and in particular Atlantic Canadians are painfully aware of the devastating impact that this government's economic policies have had on the Atlantic economy over the past five years. Today I wish to bring to the attention of the House another problem that is hampering the economy of my own riding of Hillsborough in Prince Edward Island, that being the lack of a ports and harbours authority for Charlottetown Harbour.

The federal government is responsible for appointments to the ports and harbours advisory committees which monitor the daily shipping activities of this important harbour. To date, my constituency is still waiting for the federal government to announce such appointments. The Charlottetown Chamber of Commerce and numerous other organizations continue to wait.

The names of qualified individuals have been submitted but these initiatives have fallen on deaf ears. Today I call upon the government to expedite the process so that the Charlottetown Harbour can return to full capacity, benefiting all our farmers, fishermen and the local business community.

S. O. 31

VIA RAIL

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, last week VIA Rail announced 40 per cent fare reductions on some of its Ontario and Quebec routes. One week earlier, VIA announced a 40 per cent fare increase on the Vancouver Island passenger service of VIA Rail. At the same time, the Minister of Justice announced that he would appeal a Supreme Court decision which obliges Canada to continue to operate the Vancouver Island service under the conditions of the terms of union by which B.C. entered Confederation.

I call on the Minister of Justice to withdraw his appeal of that decision and to stop conspiring with the CPR to relieve them of their responsibility to provide passenger rail service on Vancouver Island. I call on this Tory government to remember that the terms of union by which B.C. entered Confederation are not like Tory promises that can be forgotten after the next election. They are the glue that holds this province as part of Confederation and extends this dominion from sea to sea. Finally, I call on the government—

The Acting Speaker (Mr. Paproski): I recognize the hon. member for Halifax.

* * *

FISHERIES

Ms. Mary Clancy (Halifax): Mr. Speaker, the Atlantic fisheries are continually being victimized by this government. In its disregard for the Atlantic region, the government has opted to ignore legitimate requests and is not even bothering to construct its usual lame and inane excuses.

Last month, the *Jessie & Shelly II*, a $2 million fishing vessel, burned causing $1 million in damages. While under refit, the owners of the vessel have sought to lease a replacement vessel from the United States. Their request is legitimate and has received the approval of all levels of government and is in compliance with the temporary vessel replacement policy of Canada. However, the process has been stalled by the Minister of Fisheries.

The request has awaited the minister's signature for a week and inquiries as to the status of the request have been ignored and phone calls not returned. The minister's indifference to the plight of the crew and the owner

is intolerable. Already $30,000 has been spent preparing the replacement vessel and each day that the minister stalls costs an additional $8,000.

A crew of nine is now collecting unemployment insurance for the first time ever. Why? Because the minister has been sitting on this request rather than approving it.

I have a message for the minister and this government. The people of Atlantic Canada are sick and tired of having to swallow this government's indifference. At least show some semblance of responsibility and approve this request.

* * *

REGIONAL DEVELOPMENT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, coastal Atlantic Canadians anxiously await the government's aid package. Recent press attention has focused on the town of Canso, but let us not forget that the Canso plant has not yet closed, while people in communities like Port Mouton, Lockeport, Port Le Hebert, Bear Point, Shag Harbour and Woods Harbour have already seen their plants close and their people laid off.

The South Shore has also been hit by lay-offs at plants and from trawlers in Lunenburg, Clarks Harbour, Southside and Port La Tour, not to mention the closure of boat yards up and down our coast, and the closure of CFS Barrington.

Coastal Atlantic Canadians are in need of assistance, short-term relief for families, communities and for municipalities who have seen their tax bases eroded and their social budgets increased. Funds are badly needed to support and encourage economic diversification and a reduction of our dependence on the unpredictable fisheries resource.

Let the aid package come soon. Let it be comprehensive and let it not forget the communities of southern Nova Scotia.

ORAL QUESTION PERIOD

[*Translation*]

FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is directed to the Prime Minister.

[*English*]

The fisheries crisis in Atlantic Canada is going from bad to worse. Every sector of the fisheries is affected, be it groundfish, lobster, snow crab or herring.

The government knew this crisis was brewing and had promised general and generous programs, to use the Prime Minister's words. We now hear from different ministers that there will be no special aid package for the affected communities. Whatever aid there is will be from existing programs and existing funds.

Can the Prime Minister explain to the thousands of workers in Canso, in Gaultois and the other affected communities just what is going to happen? Is the Prime Minister once again backing away from his statement that his government would come to the aid of the fishery in the same broad, generous way Ottawa has helped drought-stricken western farmers? Is he going to back out on those words?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are deeply concerned about the problem of the fishery in Atlantic Canada. Unfortunately it is not one that can be solved overnight. It is structural.

There are the problems of overfishing by foreigners. There has been undue pressure in terms of inciting people to join the fishery. There has been overfishing by some Canadians.

In many ways there has been an absence of planning that has come to bear on the entire fishery with unfortunate consequences for fishing communities and for people engaged in that occupation.

My hon. friend who has a degree of expertise in this knows that it is not a problem that can be readily solved by slogans or simplistic proposals. It can, however, be solved in the longer haul by earnest co-operation between federal and provincial governments, the communities concerned, the unions and all members of this House.

I indicated to my hon. friend that it was our intention to co-operate with the provinces and all concerned to develop a comprehensive program that would be sensible, thoughtful and productive, that would help resolve—

An Hon. Member: It's none of those. Where's the money?

Mr. Mulroney: Mr. Speaker, this is typical of the Liberals. They ask a serious question about the Atlantic fishery. When I try to provide a serious answer, all we get from the Liberals are cat-calls. This government is going to bring forward programs. We are going to leave the cat-calls and the denigration to the Liberals.

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, all we hear right now from the government is that there will be no new money. We are willing and are waiting to co-operate, but we would like to have the means to co-operate and do things that are of value.

• (1420)

In the case of communities affected by cuts in the groundfish quota where entire communities will be wiped out, everybody knows that existing programs are not sufficient to respond to the extraordinary needs of these communities. Already, provincial and municipal governments have reacted negatively to this government's response, or lack of response.

These communities ask, when will they receive assurances that new programs with special funds will be made available to see them through the storm. That is all they ask.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wrote, as my hon. friend knows, in the strongest possible terms to Jacques Delors, President of the European Community, and received a response offering to deal with this problem at the highest levels. The government is going to take advantage of that and there will be announcements made in this regard.

The government announced a substantial package of immediate assistance for those affected by the National Sea closures last month. This package includes programs of industrial assistance, a special program for older workers, and a community development fund. That was our immediate response. But for many months a special cabinet committee has been developing a substantial package for the restructuring of the northern cod fishery. This will be carried out in conjunction with the provinces and the communities affected.

The Minister of Employment and Immigration is finalizing details on the application of the Community Futures Program which will provide—and this is very important to my hon. friend—substantial moneys to the communities affected. These funds can flow immediately.

In addition, $50 million more will be directed to the Community Futures Program by the unemployment insurance bill which is presently stalled in the Senate. I have held meetings—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Fifty million dollars more is available for Community Futures, and if my hon. friend wants to do something, tell the Liberal Senators to pass the bill.

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I have another question for the Prime Minister.

All we hear about is recycled or reprofiled sums of moneys just like we did with ACOA.

[*Translation*]

In addition to the crisis in the groundfish fisheries, there are also enormous problems which are in fact reaching crisis proportions in the lobster, snow crab and herring fisheries. Plants have already closed down, and several thousand people have been laid off. Is the government aware of the crisis that exists in New Brunswick, Eastern Quebec, and Prince Edward Island, or does the government intend to ignore the problem as it did in the case of northern cod and is it going to let the people in the Atlantic region slowly starve to death?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not only very much aware of the problem, we are working extremely hard to try and deal with it. We are also counting on the co-operation of the hon. member and his party to help us in this respect.

The hon. member referred to a crisis in the Atlantic region. He is a member from the province of New Brunswick. It is true that we have a very serious problem in the Atlantic fisheries. I think that, before sounding off in a way that might affect investment in his native

province, the Hon. Member should realize that since 1984, 39,000 new jobs have been created—

Mr. Robichaud: Oh, come on! The situation is worse than it ever has been!

Mr. Mulroney:—in New Brunswick and that investment—Now listen! Instead of shouting slogans I think you all should listen! And if you don't want to listen to me, New Brunswick, I think you should at least listen to the Premier of New Brunswick, Mr. Frank McKenna. This is what he said in a statement published in the Financial Post on April 21.

[*English*]

I quote: "According to Statistics Canada, New Brunswick will lead the nation in capital spending growth in 1989, up a whopping 24.1 per cent. Business investment will increase an astonishing 37.7 per cent in 1989".

Listen to what the Premier of New Brunswick says. "With a world class port, a first-rate work force and our strategic location in light of the Free Trade Agreement, New Brunswick is fast becoming known as the smart place to be. We think investors and business leaders should know this information, but if we don't tell you, who will?"

That was Frank McKenna, Premier of New Brunswick. Stop bad-mouthing New Brunswick. Stop bad-mouthing Atlantic Canada and help us build a stronger Atlantic Canada.

Some Hon. Members: Hear, hear!

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, my question is for the Prime Minister. I tell him that the people are saying that all that guff he just got on with will not put any—

Mr. Speaker: The hon. member will put his question.

Mr. Simmons: Mr. Speaker, the Prime Minister recognizes the crisis and is at least half a step ahead of the Minister of Fisheries.

It is an unfolding national tragedy and it is a disgrace of international proportions. What the people, the fish plant workers, the fishermen want to know from this Prime Minister, what they desperately need, is a clear signal from him that he understands the dimensions of this tragedy, that he cares about them and that he is prepared to put it as his first order of business.

I ask him, would he now give notice that he is prepared to stand up to the European Community, to take definitive action to stop the over-fishing in order to protect the jobs and the way of life being jettisoned by his callous inaction up until now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister indicated, there is of course an international dimension to this and it involves dealing effectively with the European Community.

I think the hon. member, if he is serious about solving the problem, would know that there are no gunboat solutions available here. There are none and anyone in this House who pretends that there are gunboat solutions is simply misleading the people who already have problems enough in Newfoundland and in Nova Scotia and elsewhere in Atlantic Canada.

The only way this can be solved is by tough-nosed negotiation with the European Community. We have begun that and have already made some progress. Not enough progress—and we are the first to admit that—but much more progress than there had been before when people dealt only in rhetoric and were not prepared to be involved in serious negotiations.

The Prime Minister has been in touch with the President of the European Community. The response of the President of the European Community has been more constructive than we had thought it would be. We intend to follow that up. We intend also—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Well, hon. members opposite can belittle the progress that is being made and they can pretend that there is some way that we can threaten the Europeans into line. They know that is false. We are not interested in dealing with falsity. We are interested in trying to restore stability and some prospect of growth to the fishery of Atlantic Canada.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister claims progress. I would say to him that after five years of silence, of using the Atlantic fishery as a pawn at best, the government began to pay lip-service and the minister got his answer from the Spanish and Portuguese a month ago on that. Despite all

the lip-service, they are going to take four times the quota assigned to them in 1990. The minister calls that progress?

I say to the minister, talk is not working. It is not working. Would he now take some definitive action? Would he take some trade action? Would he take some diplomatic initiatives? Would he stop the cheap lip-service which is getting us nowhere? Would he start the process?

Mr. McDermid: What would you suggest, Roger?

Mr. Simmons: I suggest that he start the process to extend jurisdiction to the nose and tail of the Grand Banks for a start. That is what I would suggest. What does the minister suggest?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, were the issue cheap lip-service, no one in the House could compete with the hon. member who just spoke.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, the issue is not that. The resolution clearly lies on diplomatic actions. We have already been able to get some reductions in the quotas established by the European Community, not enough, but some movement. We have had some response by the president of the commission. We expect to have a visit here in Canada soon, within weeks, by the European commissioner responsible for fisheries, at which time we will have the opportunity to discuss those matters with him directly and can bring to his attention some of the problems that are being faced.

• (1430)

He talks about trade measures. He comes from the Province of Newfoundland. He knows that the Province of Newfoundland is the province that would suffer most if we got involved in a trade war with Europe because they would respond by going directly at Newfoundland and other Atlantic Canadian exports to Europe.

We have problems enough in the Atlantic fishery now without embarking on gunboat diplomacy, the certain consequence of which would be to do damage to other parts of the Atlantic Canadian economy that are strong now and that we intend to keep strong. We intend not to engage in these kinds of rhetorical flights of fancy that only harm Atlantic Canada.

ATLANTIC CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. The Prime Minister has said that he does not want simplistic slogans, he wants programs. He has told us that he is waiting for the cabinet committee to come forth with some programs. He has removed more people from the unemployment insurance program on the east coast but he has put $50 million into Community Futures which requires the applicant to be on unemployment insurance. So he takes people off the program on the one hand and puts more money into a program for people on the other.

Mr. Epp: It does not.

Ms. McLaughlin: Mr. Speaker, the Prime Minister has told us what may be, but people in the Atlantic region, families, are wondering what the future is going to be for their children. People are being laid off now. Communities, school boards and corner store businesses cannot even plan because of the instability that is created by the lack of proposal of specific programs for the Atlantic region.

Will the Prime Minister tell this House what specific programs he is prepared now to implement for the Atlantic region?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the hon. member clearly does not even understand how these existing programs work. Community Futures is a program that is designed for communities that have very specific problems. They are designated. There can be funding for these communities depending on the unemployment rate—not because of individual unemployed—that help them build a future. And that is what is being held up in the other place right now, an additional $50 million for those communities. That program is a program that works. It has been proved time and time again that it works in communities all across Canada and particularly in Atlantic Canada.

I will be making an announcement later today about three new designated Community Futures areas, but for all the Community Futures there is $50 million more, but that money can start to flow right now.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I redirect the question to the Prime Minister.

We talked about programs and possible programs. It is reported that the U.S. Department of Commerce is threatening to examine any assistance package to fishery products by the Government of Newfoundland in view of whether there might be unfair subsidies. We know, based on past experience, that the U.S. fishing industry believes that essential Canadian social programs are unfair subsidies.

Will the Prime Minister tell this House what specific programs the government has considered but may have felt could not be put into place because of threatened retaliation under the free trade agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we know of the hon. member's intense interest in this issue because she flew into Newfoundland for a photo opportunity for a few hours and flew out again around a week ago, so we know the intensity of her interest in this issue.

With respect to the question of countervail, there was already a countervail investigation in the United States which held that social programs such as unemployment insurance, as they were applied in the fisheries, were not subsidies and not countervailable. So the hon. member is barking up the wrong tree again as she does so often.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, we have heard so far today a number of very sensible questions about the future of the Atlantic region and I think all members of the House are concerned about that. I ask once again, given the crisis in the Atlantic region, given the need for assistance now—not a rejigging of old programs, but real assistance, assuring that people can remain in their communities in the Atlantic—is the Prime Minister personally prepared to take action on this issue and to become personally involved in ensuring that this crisis can be dealt with now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer to my hon. friend is that, of course, I have been deeply involved in trying to resolve what is a very major problem in the Atlantic fishery.

I take exception to my hon. friend's contention, and I will resist it there or anywhere else, that there is a crisis in Atlantic Canada. There is no crisis in Atlantic Canada.

Some Hon. Members: Oh, oh!

Mr. Mulroney: There is not.

Mr. Simmons: Where you been, boy?

Mr. Peterson: John, do you agree? Do you agree, Crosbie?

An Hon. Member: Where have you been, in Florida?

An Hon. Member: Wake up and smell the coffee brewing.

Some Hon. Members: Oh, oh!

Mr. Simmons: What's he smoking, John?

Mr. Mulroney: There are important areas in the Atlantic economy—particularly the fishery, which is in a state of crisis. That we recognize and have said it many, many times—that are going very strongly. Premier McKenna pointed out in an advertisement in *The Financial Post*, which I have just read, in August, that investment growth in New Brunswick led Canada in 1989.

If you do not heed the cries of gloom and doom which undermine investor confidence I believe there is a possibility that New Brunswick and other Atlantic provinces can lead Canada again in investment in 1990. The elements are there, notwithstanding the fact that there is, indeed, as my hon. friend points out, a very serious crisis in the fishery.

I ask my hon. friend to consider the fact that throughout Atlantic Canada total business investment in the economy was projected to increase almost 17 per cent last year.

Some Hon. Members: Order!

Mr. Mulroney: The centres of excellence for research and development, so important to Atlantic Canada—

Mr. Speaker: I think perhaps we will move on. The hon. member for Cape Breton—The Sydneys.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Prime Minister. I find it absolutely incredible that the Prime Minister would say that there is no crisis in Atlantic Canada. Not only is fisheries a major industry, but it is the only industry in a vast, major portion of Atlantic Canada. There will be communities completely wiped out if something is not done.

What are these people going to do? Why is the government allowing these communities to die?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there again is distortion. We have acknowledged that the Atlantic fishery is in a state of crisis and we are co-operating with provinces, communities and other national governments to make sure that we deal with that crisis. But we do not want the international investment community to believe that because there is this serious problem in the fishery that the economy of Atlantic Canada is to be scorned because it is a basket case. It is not a basket case. The economy of Atlantic Canada shows areas of important strengths. There is an economic future in Atlantic Canada. We do not want doom and gloom. We want to bring about greater prosperity.

Some Hon. Members: What are you doing?

Mr. Mulroney: I will tell you, Mr. Speaker, where there was a basket case. When we came into power, the Liberals had unemployment in Newfoundland at 23.5 per cent. We brought it down 7 percentage points. We brought it down 3.5 points in Nova Scotia and 3 points in New Brunswick. The economy of Atlantic Canada was a basket case and we are improving it.

Some Hon. Members: Hear, hear!

• (1440)

Mr. MacLellan: Mr. Speaker, I hope the Prime Minister will not be surprised if the people in towns like Canso are not dancing in the streets.

Some Hon. Members: Hear, hear!

Mr. MacLellan: The Prime Minister shows an abysmal ignorance of Atlantic Canada.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, if the fishery is in crisis, the economy is in crisis. It is not only the major stupidity of the fishery policy but ACOA's negligence and deficiencies, free trade and the VIA policies have all devastated Atlantic Canada.

This government is not only widening the disparity in this country, but this government is sentencing thousands of people in Atlantic Canada to abject poverty.

Why is the government not able to tell us what it is going to do for Atlantic Canada right now if it is going to do something? Why can it not do that right now? Why has it not come up with a policy? It has known long enough about the problems.

Some Hon. Members: Hear, hear!

Ms. Clancy: Tell us!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not need any lessons from a Liberal on how to help Atlantic Canada because Atlantic Canada is doing infinitely better today than it ever did under a Liberal government. You should be ashamed of yourself for raising these problems that only damage investor confidence.

Some Hon. Members: Oh come on!

Mr. Mulroney: With regard to Canso, my hon. friend does himself and the House a disservice by suggesting that anybody is dancing in the streets. I have acknowledged that the Atlantic fishery is in a state of crisis. I have acknowledged that it requires special programs to help it. I have told the House and the country that with regard to the fishery we have and will continue to bring forward the same kinds of generous programs that we brought for the western farmers. I have already told my hon. friend that. We have done some things and we have much more to do.

What I am saying to my hon. friend, and what I am saying to the Liberals and the NDP, that with respect to Atlantic Canada there is trouble enough with a very genuine, fundamental structural problem in the fishery. Do not extend that to every area of economic life in Atlantic Canada. It is not true, it is not fair, because there is a very good economic future in Atlantic Canada and we want to work to make it better.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, it is really incredible to hear someone say that a crisis in the fisheries industry in the Atlantic Provinces does not constitute a disaster for the entire economy in the Atlantic region.

Mr. Speaker, my question is directed to the Minister of Finance, because Canadians are also worried about another issue of national importance. Is the Minister of Finance now prepared to admit that Canadians across the country still massively reject his proposal for a new 7

per cent tax on practically every single item and service they use?

Mr. Speaker, my question for the Minister of Finance is this: Since all his colleagues have now had a chance to hear what their constituents had to say during the holidays, is he now prepared to withdraw his proposed GST?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have heard the hon. member suggest that we withdraw this proposal a number of times in the past. If he is so drawn to this as an option, could he tell us what he would put in its place as an alternative to the GST proposal, because I have not heard a thing yet from the Liberal party as to what it would put in its place.

Mr. Douglas Young (Gloucester): Mr. Speaker, the Minister of Finance has now set a precedent where he has indicated that he is prepared to change his mind from time to time. We had the premiers of the ten provinces ask for a reduction in interest rates and the Canadian Federation of Independent Business asking for a reduction in interest rates and a lowering of the Canadian dollar. They are now joined by the Canadian Manufacturers' Association. Through all of this, the Minister of Finance and the Governor of the Bank of Canada said no.

Now we see a bit of movement. Has the government finally given up on its policy of maintaining high interest rates and a highly valued Canadian dollar? Has it finally seen the light over the Christmas vacation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is quite clear from the response of the associate critic for finance for the Liberal party that he does not have an option to the GST because the silence that I took from his question demonstrated clearly the Liberals do not have an idea in the world about sales tax reform.

The hon. member has referred to unanimous points of view. Let me remind him of the unanimous point of view taken by the provincial premiers in August of 1988: Knock interest rates down by 2 per cent. Since then, we know interest rates have gone up by 2 per cent. At the same time we have seen increasing inflationary pressures during that period.

So if we had taken the advice of the premiers—the unanimous advice of the premiers at that time—we would be in a jackpot by now. We would have rip-roaring inflation today, different from the signs that we are now getting inflation under control. We have seen some first signs of that. We are not out of the woods yet but the fruits of the policies that we have been following over the past couple of years are starting to appear and with some patience and some appropriate decisions on the part of various people in the private sector, we hope to see some progress in that. But we are not there yet. We still have to bear with this policy to assure ourselves that we are going to get this inflation problem beaten.

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CRUISE MISSILE TESTING

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Secretary of State for External Affairs. As he knows, and as the whole world knows, for the last many months we have been witnessing the grinding down of the cold war in central and eastern Europe and even in the Soviet Union. For example, Poland, Czechoslovakia and Hungary are presently negotiating to get Soviet armed forces entirely out of their countries, and we should welcome this.

Therefore, why is it that he, his department and this government insist upon clinging on to that old relic of the cold war, cruise missile testing here in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there have been dramatic developments in East-West relations. There have been dramatic changes which are evident and, to some degree, surprising to all of us in their extent in eastern Europe.

There is no doubt that there were several causes of that. One of them, of course, was the reform initiative undertaken by Mr. Gorbachev. But, there is also no doubt that one of the reasons for those changes was that at times when parties like his were suggesting that the West should take positions that were divided, governments like ours decided that it was in our interest to maintain the solidarity of the western alliance.

That solidarity led, in the first instance, to the reduction of a classification of nuclear weapons. We believe it had contributed substantially to the dramatically new atmosphere that now exists in East-West relations. We have followed the practice in the past of taking major decisions of this kind in consultation with our allies. Often we propose things, as we have done with the

open-skies conference, that become the policy of the whole alliance. But we do not propose to act unilaterally and, by acting unilaterally, undo one of the forces that has led to the progress we all celebrate in this House.

Mr. Derek Blackburn (Brant): Mr. Speaker, why is it that the Soviet Union, Poland, Czechoslovakia and Hungary are prepared, each in their own way, to take unilateral action to bring down the cold war and to eliminate it when we don't have the courage to promote it ourselves?

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): How can we justify encouraging the super powers not only to put the cruise missiles on the bargaining table at the START talks but to try to get the cruise missiles eliminated when we are, at the same time, promoting the development of yet a more deadly cruise, the stealth cruise, right here in our own country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps in the NDP, where there is no prospect ever of achieving power, you can try to have things both ways. But in the real world you cannot have things both ways. You cannot, on the one hand, say that we should act unilaterally and on the other hand say that we should negotiate reductions.

We believe that the way to proceed is by negotiating reductions. That is a policy that has led to the present situation, to the present decline in tensions and that has contributed significantly to that. We believe that kind of solidarity which has worked and brought us to this stage in world events should be continued and we intend to continue to do that, through open skies and through carrying out other obligations that we have undertaken.

* * *

[*Translation*]

• (1450)

TRANSPORTATION OF DANGEROUS GOODS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Transport.

Last Saturday, a derailment occurred in the municipality of Val d'Or, in the course of which an American tank car spilled 78,000 litres of gasoline on the ground. On January 4, 1990, the National Transportation Agency submitted a report on defects in U.S. tank cars. Will the Minister consider the recommendations of this report with respect to American tank cars that are a hazard to Canadians and the environment as soon as possible?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we did in fact receive the report to which the Hon. Member referred. Officials at the Department of Transport are now discussing its contents, and discussions are underway with the people responsible for the cars in the United States. Obviously, Canadian regulatory review will make it possible to tighten up regulations for both American and Canadian cars.

* * *

[*English*]

CRUISE MISSILE TESTING

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the right Hon. Prime Minister. As we move away from the cold war era and enter a new decade of East-West relations of collaboration and co-operation, Canadians are getting very excited about the opportunities that present themselves in areas of mutual interest, including the protection of our fragile Arctic.

I would like to ask the Prime Minister why, on the one hand, we are taking progressive steps such as hosting the open skies conference and yet, on the other, clinging to the past and indulging in regressive policies by allowing the continued testing of the cruise missile over Canada's north?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question was just raised and answered and our view is quite clear about the question of the importance of maintaining an approach that has worked among western nations. There are a variety of other challenges that we now have to face, particularly challenges of helping the nations of eastern Europe, which have had the courage to make these dramatic

reforms, to find the way in which those reforms can be made more permanent.

With respect to the north, there are obviously some possibilities that there can be progress made in terms of negotiations, alliance to alliance, with respect to developments in the north. We are prepared to look at those. Mr. Shevardnadze and I began the discussion of that kind of option. The Prime Minister did with Mr. Gorbachev in meetings in Moscow last year. Mr. Shevardnadze will be here again in February. I intend to carry on those discussions with him to see if there are some proposals that the Soviets want to put to us. We will consider them bilaterally but we will only, as we have made clear, negotiate them on an alliance to alliance basis.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my supplementary question is for the same minister. The Secretary of State for External Affairs told the press last week that he will be undertaking a major foreign and defence policy review and that he will have a report to cabinet within about three weeks.

Will the minister make a commitment today to consult with Canadians through the parliamentary process during this review and allow Canadians to tell the government whether or not they approve continued cruise missile testing, or is the minister afraid that Canadians will tell his government that its foreign and defence policy is inconsistent, contradictory and hypocritical?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two little matters of historic note; first, it was a Liberal government that brought in the cruise; second, for years and years and years the Liberal party refused to have any kind of public consultations on foreign policy. It was this government when we came to office that published a paper that was the basis of foreign policy discussions around the country.

Now, to be precise, what I indicated in comments last week was that because of the dramatic changes in eastern Europe I have instructed my officials, working with officials of other departments, to undertake a major review of our policy in Europe. I think that is urgent. I think that any prudent country taking a look at the dramatic changes that have occurred, particularly in eastern Europe in the last several weeks, would want to do that. That is what we are doing. I expect to be able to take the review to some of my cabinet colleagues in the next three to four weeks.

Certainly, I think it would then be useful for me to come before the standing committee of the House of Commons and discuss the results of that review with my colleagues in Parliament. If there are some constructive proposals, as often there are, from those kinds of parliamentary consultations, I would certainly welcome that.

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ATLANTIC CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister for International Trade who is playing a key role in the Atlantic fishery.

A few minutes ago the Prime Minister said, "There is no crisis in Atlantic Canada." I want to ask the minister, if he does not agree with this statement what does he intend to do about it? Or, does he agree?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just said—

Some Hon. Members: Oh, oh!

Some Hon. Members: Muzzle him.

Mr. Fulton: Watch that nose. It's going to grow.

Mr. Mulroney: Inasmuch as the House Leader seeks to distort what I have just said, it is incumbent upon me to deal with it.

I indicated that there is a crisis in the Atlantic fishery. It is deep seated and it is serious. It requires not catcalls and slogans, it requires mature co-operation between governments, both nationally and internationally. It requires an infusion of capital. It requires restructuring. It requires assistance from employment and immigration, from international trade, from external affairs and all of these measures are in train to deal with a genuine crisis in the Atlantic fishery.

What I indicated to my hon. friend is that he ought not to jump from a genuine crisis to besmirch other areas of activity in Atlantic Canada where there is growth and growing prosperity. As Premier McKenna said in New Brunswick, New Brunswick leads Canada in investment. There are jobs and prosperity in many important areas. Let's recognize that to make Atlantic Canada better and

prosperous while at the same time dealing in a mature, thoughtful way with a genuine crisis in the fishery.

Hon. Herb Gray (Windsor West): Mr. Speaker, I think that I quoted the Prime Minister verbatim when he said, "There is no crisis in Atlantic Canada." I want to ask the Minister for International Trade again, does he agree with this statement and, if he does not, what does he intend to do about it?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I agree with every word, every syllable, every comma and every full point of the Prime Minister's last answer.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Simmons: Bye-bye, Johnny.

Mr. Crosbie: And the hon. member does not do Atlantic Canada any favours by trying to pretend that Atlantic Canada has no present and no future. It has a present and it has a future. It has a crisis in the fishing industry which we are going to help overcome. It has a bright future as well with Hibernia, with all its potential. The kind of remarks made by the hon. gentleman opposite are doing nothing to help Atlantic Canada.

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TRADE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is for the Minister for International Trade.

The Minister also knows that there is a crisis looming out in British Columbia. Zodiac Hurricane Marine, a manufacturer in Richmond, B.C., has been told by the U.S. Navy that it will no longer purchase Zodiac vessels built in Canada.

It is because of an unfair U.S. protectionist ruling that the company must now close down its operations in British Columbia and relocate to the United States. At least 100 Canadian jobs and millions of dollars to the Canadian economy are going to be lost if this company closes down.

I want to ask the Minister if he would agree with a statement that is right here in this document that he helped draft, the free trade agreement. Chapter 5 states that once goods have been imported into either country they will not become the object of discrimination. In light of that ruling in the free trade agreement will the Minister now launch an appeal for a ruling of the bilateral panel on trade, or through GATT, to turn back this unfair, protectionist measure that the U.S. Government has imposed upon this Canadian industry and save these Canadian jobs?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am glad to hear that the hon. gentleman has a somewhat belated interest in this matter. It was brought to my attention by the Minister of Fisheries and Oceans at least several weeks ago.

Some Hon. Members: Oh, oh!

Mr. Fulton: That's a big help.

• (1500)

Mr. Crosbie: You are not interested at all in having your colleague's question answered. You are just going to bellow, roar and bawl so that he does not receive any answer.

Two weeks ago the minister of fisheries brought this to my attention. We are pursuing the matter with the Americans to persuade them to change the interpretation they have now put on their domestic practices. The ambassador in Washington is apprised of it. We are doing everything we can to have this changed.

I hope that in Canada we will not do anything ourselves to deliberately flout the U.S.-Canada Free Trade Agreement, such as adopting protectionist amendments like some other provinces that I could name have done.

I hope the hon. gentleman will do all he can to see the U.S.-Canada agreement is observed in Canada so that we have a good example for them down in the United States.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I would like to point out to the minister that if this House had been sitting two weeks ago, you would have been given the question in plenty of time to respond.

Some Hon. Members: Hear, hear!

Mr. MacWilliam: Mr. Speaker, I want to say to the same minister that last year the U.S. Navy was awarded 274 contracts worth over $312 million in Canadian purchases, while in Canada we are prohibited from

making a comparatively minor sale of Zodiac vessels to the United States.

The free trade agreement was supposed to open up U.S. government—

Mr. Speaker: Given the time, I would ask the hon. member to complete his question.

Mr. MacWilliam: Mr. Speaker, I want to say to the minister that the free trade agreement was supposed to—

Some Hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Rosedale.

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PARKS

Hon. David MacDonald (Rosedale): Mr. Speaker, my question is for the Minister of the Environment. Earlier today the House unanimously approved the motion of the member for Scarborough Centre with respect to the Rouge River and its preservation of the valley as a natural resource.

In light of the earlier campaign by the World Wildlife Fund to preserve the endangered spaces of Canada, both provincially and federally, and the commitment of the minister with respect to 22 or 23 more spaces federally over the course of the next decade, could the minister indicate what action plans will be formulated both federally and in concert with the provinces to achieve this before the end of this century?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I strongly believe that our goal must be to complete the network of our parks by the year 2000. We still have 18 ecological regions to be represented in the existing network.

I have instructed my officials to work on a plan to include in the global action plan of the government a strategy to complete this network by the year 2000, with a clear commitment for the establishment of certain number of parks within the next five years.

HOUSE OF COMMONS

TABLING OF STANDING ORDERS

Mr. Speaker: I have the honour to table the Standing Orders of the House of Commons dated December 1989 reflecting the changes adopted by the House on Wednesday, September 27 and Wednesday, December 20, 1989.

The complete edition, including an index, will be published in the forthcoming weeks.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order.

I want to ask the government House leader if he can give us some idea of the business he intends to call for the coming week. I apologize for not giving him notice. I realize the question is ordinarily asked on Thursday, but I thought that since this is the first day we are back it might be helpful to members on all sides of the House if he has any additional information.

I repeat, I am not trying to put him on the spot. I recognize I have not given him any notice. If is there is anything he can tell us formally which could go on the record of the House, it might be helpful for all sides.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate my hon. friend's question. Today the House will be dealing with Bill C-52, as we indicated to the offices of the Official Opposition and the New Democratic Party.

We intend to follow that up with Bill C-51, the Garnishment Act, which is also a finance bill.

I would expect that we will have our normal House leaders' meeting tomorrow at 3.15, shortly after Question Period at which time—and I will instruct my office to have contact with both of the other offices to see if we can get any preliminary discussions out of the way—we can discuss a reasonable timetable for the rest of the week.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I rise today to give notice of a Ways and Means motion to amend the Excise Tax Act, the Excise Act, the Customs Act, the Customs Tariff, the Income Tax Act and other statutes of Canada.

I ask that an Order of the Day be designated to debate the motion.

* * *

ORDER IN COUNCIL

TABLING OF APPOINTMENTS AND REFERENCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

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

* * *

TRANSPORT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, earlier today I gave notice to the Table of my intention to move concurrence in the second report of the Standing Committee on Transport presented to this House on November 8, 1989.

I move that the second report of the Standing Committee on Transport, presented to the House on November 8, 1989, be concurred in.

Normally or traditionally in situations where a member of this House is moving concurrence in a report of a standing committee, particularly one that has received support from all parties, one would work out in advance with both the government members of that committee and the official opposition members of that committee the scheduling of this kind of debate. I regret that I was not able to do that because today is the first day of the House coming back from its Christmas recess.

I felt, in consultation with my colleagues, that the events of this preceding week necessitated debate in this House on the very important matters considered by the Standing Committee on Transport.

As members will realize, the second report of the standing committee dealt with VIA Rail and the future of rail passenger service. The committee held hearings in the fall after the Minister of Transport announced to a press conference the decimation of about 51 per cent of the rail passenger system in this country.

The committee met with a number of organizations which had specific concerns about the impact of those cuts, gave consideration to the matter and issued a report which was tabled in this House on Wednesday, November 8.

• (1510)

The committee examined a number of the areas of concern and made some recommendations. One of the recommendations was that the cuts not be proceeded with, that there needed to be further study and further consideration by the government. Since the government had put in place a Royal Commission on Passenger Transportation, which was also to be charged with the matter, the committee felt that it did not make sense to proceed with the cuts and then the study.

That is the rough background to the committee's report. I am sure the question in members' minds is: Why today?

Given the outpouring of support for VIA Rail that we saw in the final three or four days of its cross-Canada elimination—and there were not just hundreds of people but thousands of people who came out to indicate their support, whether it was at rallies or as individuals just being there by the tracks as the last Canadian went through—we have a responsibility once again to express to the Government of Canada our desire, even at this

point in time, to reverse the decision. It is entirely possible to do that.

Until such time as the tracks are removed—and I realize that as we speak that is happening not too far from this House—and until the equipment is sold there still is an opportunity to reverse the decision of the government and to put VIA Rail back on track, not just in half of the country but in all of the country.

As part of this process, and having been to those rallies in Guelph, Toronto and Thunder Bay, and having seen the thousands of people who came out to show their support, I felt that we had to continue the fight.

Earlier today I wrote to the Right Hon. Prime Minister and to the Minister of Transport. The letter reads as follows:

Dear Sirs:

On January 15, your government's cuts to VIA Rail went into effect.

The cuts were carried out through an Order in Council, circumventing any need for public hearings. When the federal Liberals used that procedure in 1981, your party and ours condemned them—quite rightly—for trampling on Canadians' right to be heard on a vital national matter.

Many Canadians have decided that, hearings or no hearings, they will speak out against the cuts. Rallies across the country attracted thousands; in my home of Thunder Bay alone, over one thousand people turned out to support VIA Rail.

Hundreds of thousands more have sent letters, cards and petitions to my office and those of my New Democrat colleagues. Eighty-nine per cent of Canadians want VIA's service maintained or expanded. The cuts are opposed by the Federation of Canadian Municipalities, whose town and city governments speak for 17 million Canadians.

I urge you to consider the effects these cuts will have on remote communities, on seniors and young Canadians, and on the millions of people who cannot afford air fares. I urge you to consider the effects on entire cities that have lost VIA service.

And I urge you to consider this alternative: a moratorium on the cuts, at least until the Royal Commission on a National Passenger System for the 21st Century makes its report. Put VIA back on track now—and do not sell any rolling stock.

Such a moratorium would be consistent with the all-party report of the House of Commons Transport Committee, and would allow the Royal Commission to truly examine all options. It would provide badly needed public debate on the future of passenger transport.

You have described your desire to ignore the will of the vast number of Canadians as "courage". I respectfully suggest that you have confused courage with conceit. Real courage demands the admission your government may not have all the answers. And democracy demands that Canadians at least have their fair say in the changes that will deeply affect them.

I hope you will find that courage.

The letter is signed by myself as member of Parliament for Thunder Bay—Atikokan.

The government would like to suggest that the outpouring of support for VIA Rail in the final days of its service across Canada, whether it was The Canadian or whether it was the regional services or the commuter services, was nothing more than romanticism, that people were shedding a tear for something that no longer mattered and they were sorry to see it go. That is not what I heard from them.

I heard students telling me about the impact it would have on their ability to keep in touch with their families. These are students attending university or college who would go home for Thanksgiving or Easter, in some cases for the weekend. They will no longer be able to do so because that cheap method of transport will no longer be available.

Seniors who for some reason cannot fly, who do not own their own vehicle and who really do not enjoy travel by bus are without the ability to travel now. Even by the government's own estimates there will be 125,000 people every year who will no longer travel because of the elimination of VIA Rail services.

If you take the price tag of an airplane ticket for a family of four from Thunder Bay to Toronto, you are talking in excess of $1,500 to $1,600. For them to go by train will take a little longer, but it is a lot saner kind of trip and it certainly has a lesser impact on their pocketbook.

Let us look, too, at who pays the price, which has been one of the arguments. The argument has been that there are only 7 million people who are using the trains and so many more are using planes. However, studies have shown that the vast majority of people who ride airlines either have their tickets paid for by somebody else—and I include members of Parliament in that group—or are businessmen who write off the total amount on their

taxes, or are consultants who are being paid by their clients, or are civil servants. I am told that 80 per cent of airline travel is in that category. This leaves 20 per cent who pay their own way, who do not get a tax break. The exact opposite applies to rail. Some 80 per cent pay for their own tickets.

We can play the subsidy game, but I say that air is subsidized to as great an extent as rail has been subsidized. To say that one is more appropriate than the other is a false economy, to say the least.

There is also the environmental question. My colleague, the member for Skeena, our environmental critic, will address it in much more detail than I will, but I want to walk you through some of the aspects.

We had handed down in this House a week after the decision—a week after the Minister of Transport announced to the country that here were the cuts, here were the routes we are going to eliminate—a four-page preliminary environmental assessment. There are those of us who are suspicious of a document that is handed down a week after the decisions are announced. As I understand it, any proposal, any project done by the Government of Canada, is supposed to adhere to the EARP guidelines, the Environmental Assessment Review Process guidelines. It has to be tested; and the initiating department, in this case transport, was to take a look at it to see whether it felt there were any impacts on the environment.

They did do something. There is no question about that. We know that the final decisions on the routes to be saved and the routes to be cut were not made until the night before the order in council was passed, so there is no way under that kind of scenario that a proper testing could be done even on a preliminary basis. Then we found out that it was an economist and a transportation specialist who did the environmental assessment. It was not done by an environmental scientist. It was not even an environmental engineer. There was no contact with the Minister of the Environment who has officials who one would assume would understand the process.

They did not even do the proper environmental assessment, even though the Prime Minister in the election of 1988 said that every major economic decision made by his government would be tested for its impact on the environment. As members know, we did not stand idle when the government made the decision to cut VIA. Nor did we stand idle when we saw the four-page phoney environmental assessment.

• (1520)

We took action elsewhere in this city, action which resulted in a full day of hearings before the Federal Court. The government lawyers came in and said: "Hang on folks, the EARP process does not apply to the cabinet. They are above it. They are above the law."

I ask you, Mr. Speaker, what decision made by the Government of Canada is not implemented through Order in Council? Then they said: "Transport was not the initiating department. It is the Minister of Finance who initiated it because it was a budget decision".

My colleague, the member for Regina—Lumsden, argued before committee time and time again: "What are we doing here? What are we doing having the Minister of Transport making fundamental decisions about the kind of transportation system that we have in this country," or, as we find out, that we do not have any more.

The government put forward that argument and said: "We are above the law". I would really like to hear from the government, to have it justify to this House and to the people of Canada why it believes that cabinet should be above the law, why cabinet should not have to adhere to an environmental test on decisions it makes. It would be very, very interesting to hear that response.

Canadians by the thousands have indicated their support. It was not a case of the media riding the train for the first time in 30 years. The people I talked to—and they were from age 5 to 85—have a keen sense of how important rail passenger travel is to this country. It is not a thing of the past. The equipment that we have been using is outdated.

Seven Ministers of Transport have recognized that, including some in this government, and have promised to replace the equipment and to do what other countries around the world have done, that is invest. But, no, they never followed through. One time it was an election promise. Another time is was an election commitment. Both parties failed to follow through on that.

Yet if they had given VIA Rail the kind of rolling stock that does not break down in 40 below weather in northern Ontario or northern Manitoba or in the rain in B.C., rolling stock that is attractive, that has increased capacity, we could have turned things around.

Compare VIA to Amtrak in the United States. They get a return of about 74 cents on the dollar, and they use new double-decker transcontinental rolling stock. They are even getting support from this government across the way in the form of export development loans to Bombardier—$100 million last year, $200 million this year—to supply rail passenger equipment to the United States.

Let me look at the comparison. Amtrak is at 74 cents on the dollar. What do we do in the corridor where we have a density and a potential utilization that is beyond a lot of the other parts of the country? We are already making 71 to 72 cents on the dollar there, and we are making it with junk. If we could increase the car capacity by 80 per cent with new head-end equipment, new marketing techniques, expanded schedules, I can guarantee that we would not even have to go to high-speed electric on the corridor to break even. We could do it with a good investment in some new equipment.

This is an important issue. It is one that people will not forget. The government thinks it will go away as the people stop seeing the trains. One of the Liberal members from Manitoba was on Newsworld with me back in November. He was a member in this House prior to 1984 and was defeated in 1984. He said the reason he was defeated was that people had long memories and they remembered what the Liberals did to rail passenger services in 1981-82.

I can assure you, Mr. Speaker, that whether it is in Atlantic Canada, in western Canada, in southern Ontario, in northern Ontario, or on Vancouver Island—even though there they have a court decision that protects their railroad, and I give credit to those people who took it to court—people will remember. They will make sure that the next time around they will not be voting for anybody who cut their trains.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, this issue is certainly an issue that is important to the Canadian public. It is important to this House and to this government. In fact, this House has been seized with the issue a good deal of time in the last few months.

As you will recall, Mr. Speaker, there has been a lot of questions in Question Period. There has been debate on the issue. Of course, the committee itself has put a great deal of work into looking at the question of rail passenger service within our country. Members of the committee looked at a number of issues, all of which are very important. They looked at the question of the environment, the question of services in remote areas of Canada, the question of a legislative mandate of VIA Rail, equipment and productivity. They looked at all of those questions that we believe are very significant and very important as they relate to passenger rail service in this country.

We as a government take that issue very seriously. That is why we have taken in this report that has been filed by members of the transport committee, a report that we know they put a lot of work into and a report that we as a government are treating seriously.

Under our particular rules this report will be responded to by the minister in question. In fact the Minister of Transport, under the rules, has an opportunity to respond up until April 29 of this year.

What we are faced with is an opportunity for the minister to look at the report, a report which was detailed, a report which brings up a number of issues and questions. He is looking at that and will respond to it.

I do not think it is necessary for us to take up the time of the House today since we have taken a great deal of time on the issue in the past. The report will be responded to. I can assure the House of that. Therefore, I move:

That this House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to the following division:

(Division No. 168)

YEAS

Members

Andre	Attewell
Beatty	Belsher
Bernier	Blais
Blenkarn	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Cole	Collins
Cooper	Corbeil
Côté	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Hawkes	Hockin
Horning	Hudon
Hughes	James
Jelinek	Kempling
Kindy	Koury
Landry	Langlois
Layton	Leblanc (Longueuil)
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Malone	Marin
Martin (Lincoln)	Masse
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Monteith
Moore	Nicholson
Oberle	O'Kurley
Plourde	Pronovost
Redway	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Scott (Victoria—Haliburton)
Shields	Siddon
Soetens	Sparrow
Stevenson	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van de Walle	Vankoughnet
Vien	Vincent
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—103	

NAYS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Bélair	Bellemare
Benjamin	Black
Blackburn (Brant)	Blaikie
Boudria	Butland
Caccia	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	de Jong
Ferguson	Fisher
Flis	Fontana
Fulton	Gaffney
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Hopkins
Hovdebo	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	Lee
MacWilliam	Maheu
Marleau	McLaughlin
Mifflin	Milliken
Mitchell	Murphy
Nault	Nystrom
Pagtakhan	Peterson
Phinney	Pickard
Proud	Prud'homme
Riis	Robichaud
Robinson	Samson
Simmons	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Vanclief	Waddell
Walker	Wappel
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—82

• (1610)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Finance) moved that Bill C-52, an act to amend the Income Tax Act and related acts be read a second time and referred to a legislative committee.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am pleased to rise in support of Bill C-52. The improvements in tax

assistance for retirement saving that it provides are an important part of a major series of pension reforms that have been introduced in recent years. All are aimed at improving income security for Canadians in retirement.

The improvements in the tax assistance removes serious shortcomings in the present system, which penalize some taxpayers and give undue advantage to others. Canadians will find that the new measures improve their ability to plan their financial future and assure a reasonable level of income security in retirement.

Tax assistance for pension and retirement savings is based on a simple principle: within clear limits, income set aside for retirement should not be taxed when it is saved. It should be taxed only when it is received as a pension. By allowing taxpayers to defer tax on savings and on the growth of those savings in the years before retirement, the tax system provides a valuable incentive for Canadians to arrange for their financial security in later years.

New limits in the tax assistance system will give millions of Canadians a better opportunity to attain income security in their later years. The reform introduces a uniform limit on the proportion of earnings that are eligible for tax deduction when they are saved for retirement. This will give all working Canadians, regardless of their employment situations, equal access to tax assistance.

The system will become more flexible. For example, taxpayers will have up to seven years to make up their allowable contributions for any one year. New provisions will also guard against unintended or excessive use of the system particularly by higher income individuals. This will strengthen control of costs to the public treasury.

These improvements constitute another important step in the government's pension reform program, which has enjoyed support in its broad principles and provisions from most members of this House. It is a program that has moved forward steadily with the co-operation of the provincial governments in a process involving extensive consultations with business, labour groups, the pension industry and individual Canadians.

The importance of pension reform has become increasingly clear in recent years as the baby boom generation advances towards retirement age. In coming years, the proportion of retired people in our population will greatly increase.

Members will recall the main pension reforms already adopted to meet this challenge and deal with shortcomings in the pension system. These reforms include improvement of benefits under the Canada Pension Plan and the Spouses Allowances Program, changes in contribution rates to make the financing of the Canada Pension Plan secure, and important improvements and minimum benefit standards of private pension plans.

The tax assistance system is one of the three building blocks in our retirement income structure. The first block, which assures all senior citizens a minimum income, consists of an old age security pension and the associated guaranteed income supplement and spouses allowance. The second block, which guarantees a basic level of earnings replacement after retirement, is made up of the compulsory Canada and Quebec pensions plans, to which all employers, employees and the self-employed contribute. The third block consists of individual and employers' sponsored provisions for retirement income. Tax assistance for retirement saving helps Canadians increase their retirement income to the level needed to avoid disruption of living standards when they retire.

The basic way in which tax assistance works remains unchanged. Tax is deferred, both on the contribution to a registered plan and on investment income earned within the plan, until income is paid out on retirement.

These tax advantages are no small matter. Today, they cost the federal government $5 to $6 billion a year in foregone tax revenue; they cost the provinces an additional $3 billion. Canadians strongly approve of tax assistance, however, because nothing is more important to individual lives or to the social fabric than income security in retirement years. At the same time, Canadians want the system to do the job fairly and effectively.

The tax advantages provided to retirement saving should be designed to complement public pension programs by assisting Canadians to build the target level of pension income that will permit them to maintain adequate living standards after retirement. Since work-related expenses, income taxes, and saving requirements all usually decline at retirement, earnings need not be fully replaced. A pension of 60 per cent to 70 per cent of

pre-retirement earnings is generally considered to be enough to avoid serious disruption of living standards.

The present system of limits on tax-assisted savings is not well structured to help Canadians build target pensions. It provides widely different savings limits for individuals in different employment situations; it provides few opportunities for individuals to make up for saving shortfalls in prior years; and it provides some taxpayers the ability to obtain excessive tax deferrals by using various tax planning techniques.

In short, the existing limits are both unfair and inflexible. The result is that they deny many Canadians reasonable opportunities to build a target pension while permitting others to enjoy excessive tax benefits.

Just to demonstrate how the proposed changes will introduce a fair system of limits in place of an unfair one, I must first explain one or two things about retirement savings plans and the existing limits that apply to them.

There are two basic types of plans. Most pension plan members belong to the defined benefit plans. These plans are subject to limits on the benefits they can provide, but no direct limit on their contributions which can vary from year to year depending on investment returns.

The other basic type of a plan is a money purchase plan which has a defined level of contributions, but no fixed level of benefits. Some pension plans, all deferred profit-sharing plans and all registered retirement savings plans, RRSPs, as we commonly refer to them, are money purchase type plans. These plans are subject to contribution limits.

• (1620)

One of the main problems with the existing tax assistance limits is that the contribution limits on money purchase plans do not correspond at all closely to the benefit limits on the defined benefit plans.

As an example, consider the limit of $7,500 on RRSP contributions for someone who has no pension plan at all. In terms of the pension that this level of contributions will buy, it is less than half as generous as the $60,000 limit on pension benefits under a defined benefit plan. Moreover, for anyone with earnings above about $40,000, a lifetime of contributions at this RRSP limit will not be sufficient to build the target pension.

Thus, the current limits place many Canadians at a serious disadvantage in savings for retirement. This includes many of those who are dependent on RRSPs, a group that includes the self-employed and employees without pension coverage.

For employees covered by money purchase plans, the situation is no better. For these plans, a limit of $7,000 applies to the total of employer and employee contributions including supplementary RRSP contributions. In contrast, a high income member of a defined benefit plan yielding a pension of up to $60,000 can supplement this pension by making annual RRSP contributions of up to $3,500. And, as I will elaborate in a moment, some taxpayers have been able to do considerably better than this.

A second key problem with the limits is that individuals with low levels of saving in employer-sponsored plans, whether they be money purchase or defined benefit type plans, often have little opportunity to compensate by saving more on their own behalf. Where an employer contributes only $500 to a money purchase plan, for example, the employees total contribution limit becomes $4,000 instead of $7,000.

The way to overcome these problems is obvious: put everyone on an equal footing. That is what the new system does by establishing uniform limits on tax assistance, whether pension saving is measured in terms of contributions or promised benefits and whether it takes place in one plan or more than one.

Over a career, the saving of 18 per cent of earnings a year should produce a pension equal to 2 per cent of earnings for each year of pensionable service. Over a full career of 30 to 35 years, that level of saving—free of taxation—will therefore build the target pension of 60 to 70 per cent of earnings. Accordingly, the new system limits retirement savings and tax assistance plans to this level, 18 per cent of earnings.

Just as important, the new system ensures that the 18 per cent limit is available to Canadians regardless of their employment situations or employer-sponsored pension arrangements. It does this by setting annual RRSP limits equal to 18 per cent of earnings minus the level of saving in employer-sponsored plans. In this way it permits taxpayers to use RRSP contributions to sup-

plement pension savings up to that uniform limit of 18 per cent.

A fair system also requires consistent dollar limits on saving in different plans. To match the existing pension limit of $60,000 on defined benefit plans, this means a contribution limit of $15,500. Thus, it is proposed to raise the dollar contribution limits to this level to provide comparable tax assistance to those saving through different types of plans.

However, to limit tax assistance to high income earners, the contribution limit increases will be phased in over a transition period to 1995, and the maximum pension limit will be frozen during that period of time. As a result, the maximum earnings eligible for full tax assistance at the 18 per cent rate will fall from 3.5 to 1.5 times the average wage. Members may note that this change is very much in line with a recommendation made by the Parliamentary Task Force on Pension Reform in 1983. I might say at this point that most of the changes to the pension system came from the recommendations of that committee which was chaired by a friend of mine and former colleague, the Hon. Doug Frith, the then member for Sudbury, who spent a considerable amount of time on pension reform in the early 1980s. I think the House should recognize the contribution made by Doug Frith and his colleagues from all parties to the legislation that we are debating today in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. McDermid: Now he is in the private sector making money.

The phasing-in of the new contribution limits will start in 1991 and be completed by 1995. For money purchase plans, the maximum contribution will be increased to $12,500 in 1991 and by $1,000 a year thereafter until it reaches $15,500 in 1994. The RRSP contribution limit will be increased to $11,500 in 1991 and will also increase by $1,000 a year reaching $15,500 in 1995. Once this phase-in period is complete, the dollar limits will be adjusted by increases in the average industrial wage in the same manner as the maximum covered earnings level is adjusted under the Canada Pension Plan.

Another major shortcoming of the existing system is its inflexibility. Individuals cannot make up for missed saving opportunities. As we all know, it is not always possible to put aside a set proportion of earnings for retirement each year. Another element of inflexibility is the absence of opportunity for employees to make up for loss of benefits upon job termination, a serious shortcoming in our mobile society.

The first of these problems will be met by a new carry-forward provision. Taxpayers will be able to take advantage of unused deductions for up to seven years. This is very important for the small business person who may be starting out in business and does not have moneys that he can contribute to his RRSP in the early years of establishing his or her business. However, as they progress and the business becomes profitable, they may have extra funds to establish a retirement program for themselves and will have that carry forward from the years when the earnings were lean and they did not have that opportunity.

This would also apply to young families who are starting out and buying homes and perhaps devoting a lot of their money at the beginning to purchase the home and get established but in later years have some money to invest for retirement income. This carry-forward program is very important. It also applies to farmers who may have lean years and good years and will have that carry-forward program on the RRSPs. We believe that this is a major plus for the pension reform.

The second problem will be addressed by providing special additions to the RRSP limits of those who lose benefits on termination from a pension plan. The extra contribution opportunities will help them make up for such losses. If they had a pension plan that was very good in one company and went to another company where it was not as good, they can now make up the differences with the RRSP. This is a much fairer system.

I have already noted that we have proposed to restrict tax assistance to high-income earners by freezing the maximum pension limit until 1995. The reform of the contribution limits also eliminates a variety of opportunities that have permitted taxpayers to obtain excessive tax deferral advantages. Let me point out a few of these.

First, the codification of the maximum pension limits in the Income Tax Act will bring an end to a growing number of exceptions that have been made to the limits.

It is important to note that the purpose of the new rules is not to limit the pensions that employers can provide.

• (1630)

Rather, it is to limit the benefits that can be provided on a tax assisted basis. The limits will apply to all tax assisted plans in Canada. This means, for example, that modifications will be required to federal public sector pension plans, including plans for MPs and Senators to bring them in conformity with the tax assistance limits.

Second, the rules will eliminate opportunities to double up on the tax assistance limits. Under the existing rules individuals have been able to make additional contributions for years of past service even though full RRSP contributions have already been made or full pension benefits have already been credited in those years. The existing rules have permitted taxpayers to make excess contributions of hundreds of thousands of dollars in this way.

Third, an important part of the reform already implemented in 1988 eliminates opportunities for taxpayers to obtain full tax deferral benefits on saving outside RRSPs. This change addressed a weakness in the tax rules that permitted employees of non-taxable employers to contribute unlimited portions of salaries to plans that provided the same tax advantages as RRSPs.

Fourth, taxpayers with sufficient resources to enable them to defer receipt of their pension incomes have been able to generate pensions well above the pension limit by transferring pension income into an RRSP. For example, by rolling ten years of pension payments into an RRSP someone entitled to a maximum pension of $60,000 at age 60 could produce a pension of $120,000 at age 70.

All these loopholes chiefly favouring high-income taxpayers will be closed by the uniform limits and the codified rules that will be included in the Income Tax Act. The rules will require tighter accounting for pension contributions than in the past. Tax free transfers and rollovers that would effectively violate the new tax assistance limits will no longer be allowed. The proposed changes in tax assistance limits will be of particular benefit to the self-employed and to employees who are either outside employer sponsored plans or belong to plans with low-level benefits.

The changes will also benefit those whose plans cover only a part of their earnings or who have part-time jobs. Many Canadians, especially those starting out in employment or facing fluctuations in earnings for any reason, will find the seven-year carry-forward of unused RRSP contribution room a great advantage.

The federal revenue costs of the change in the RRSP limit is expected to be $300 million to $350 million a year. But this will be offset by gains from the removal of the excesses in the present system. The reform should not result in any net revenue costs for the federal or the provincial governments.

Employers will bear some additional costs for the accounting required to make the new system work. In view of the importance of retirement income security to Canadians and the significant revenue costs of tax assistance, the government believes that this burden is reasonable. Once the system is in operation the compliance costs will be only about one-sixth of one per cent of the total federal and provincial tax expenditures on assistance for retirement saving.

Since taxpayers will not improve their tax position by saving through one type of plan rather than another, their choice of plan will depend on questions of merit and suitability rather than the best way of minimizing taxes.

These changes crown a program of pension reform in which Canadians can take comfort and pride. They represent our Canadian belief both in sharing burdens for the common good and making sure that individuals have had the opportunity to look after themselves. The new system of limits on tax assistance for retirement saving is a step we must take so that Canadians can, with confidence, look forward to providing adequately for themselves in the years ahead.

I might say as I mentioned earlier that the committee in the House of Commons in 1983 made a report. Since then there has been a great deal of consultation on pension reform. This is a combination of that consultation. We believe that it is a very good bill. We believe that it is a thorough bill.

It is fair, it is flexible and we are hoping that we can get this bill to committee as expeditiously as possible. It is a technical bill, containing many, many pages. We are hoping that it will be examined in committee in great detail, so that we may assure ourselves in the House of

Commons that we have done the right thing and that this pension reform will be in the long term of great benefit to all Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournement are as follows: The hon. member for Saskatoon—Dundurn (Mr. Fisher)—Public Service Alliance of Canada; the hon. member for Burin—St. George's (Mr. Simmons)—Fisheries; the hon. member for South West Nova (Mrs. Campbell)—Fisheries.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-52, an Act to amend the Income Tax Act and related Acts be read the second time and referred to a legislative committee.

Mr. Douglas Young (Gloucester): Mr. Speaker, we just want to take a few minutes to discuss this bill at this stage in the parliamentary process because, as is well known to the minister—and I listened to his presentation with a great deal of interest—this legislation is extremely complex. We believe it is imperative that we take all the time required in committee to hear representations from experts.

I understand and agree to some extent with the minister's comments that this is an attempt to put to rest some inequities in the existing system and to try to make it easier for some people to participate in this type of savings program. However, I am not sure that that is going to be the result. But I think we would be well advised to listen to those people who are going to be in a position in a very professional way to look at Bill C-52, all 100 pages of it.

There is an aging population in this country and many people are aware of the need to prepare themselves as adequately as they can for their old age. We know that these issues are becoming extremely complex when a piece of legislation such as this is brought forward and includes a guide. It is not a guide for applying the bill or describing the very technical nature of how best it can be applied, but a guide for ordinary Canadians. It is some 60 to 70 pages long. I think that demonstrates the complexity involved in the legislation.

I would suggest that we will all be looking forward to the opportunity to be provided to us in the finance committee of listening to people from various walks of life, such as accountants. I think it is fair to say in looking at the legislation that although the minister may be well founded in his optimism that this is simpler, I suspect that when you have legislation this complex that accountants will discover loopholes that will provide some opportunities for people to achieve what perhaps the government has been trying to prevent.

I suggest that since the legislation has been brought forward that there have already been some presentations made by people who suggest that there may be some problems with the legislation with respect to equity. But I prefer to take the time that is required to listen to what people who have vast experience in this field have to say.

It seems to me that there are basic questions that have to be addressed. For example, what will it cost? If there are savings for some segments of society, so that they can set money aside and it is protected in terms of tax impact, what is it going to cost Canadians in terms of tax loss, if in fact there will be any?

I am sure the government will have some statistics in addition to the short term figures which we recognize have been provided, but what happens after 1995? Is there any indication as to what it will cost? At the same time, who will benefit? Who will be able to take advantage of the changes that are being brought forward, and is that in the general public interest?

Obviously, there were inequities, there were people who were benefiting from the existing system. Will they be hurt? Are we bringing everybody up to a level or are

we taking some people backwards? Are we making it more difficult for some and easier for others?

• (1640)

Obviously, there has been some talk that some people will be favoured, the self-employed and people who are not presently in pensions. The raising of the limits will provide some opportunities for people who have sufficient funds to be able to take advantage of those new limits.

I am concerned about whether the reform to the RRSPs is consistent with other reforms that are being proposed by the government. For example, let us look at the GST situation. There has been a great deal of concern about the lack of indexation for credits to low-income families. Once the indexing system with respect to the RRSPs is implemented, how does that fit into our system of fairness and equity as we try to reform a number of these elements of our financial support structure in this country?

The GST comes up even when we are talking about RRSPs. We are looking at some changes that will come into effect at the same time. What will the impact be of allowing people an opportunity to set more money aside, thus reducing their disposable income and consumer spending at the same time as we bring in the GST? Has the department of finance or the government looked at what kind of impact this could have on our economy in 1991? What I am suggesting is that we will look forward with a great deal of interest to a very open and thorough hearing about all of these aspects from people from across the country who will want to deal before committee with this legislation.

I am sure the minister understands that the committee will have to take a substantial amount of time in order to cope with the various elements that have been raised in this bill. There is a great deal of concern among public sector employees as to whether or not there is going to be some negative results for them as a result of this reform.

We in the Liberal Party are looking forward to an opportunity to listen to Canadians. We hope that people with the expertise will come forward. I especially hope that senior citizens and senior citizens groups and people in the public sector as well as the private sector will make certain that before we deal with this piece of legislation again that they will take the opportunity afforded to them to come before the committee to make their arguments.

I would heartily recommend to anyone who has any feelings about the impact of reform of the Registered Retirement Savings Plan legislation to make sure their MPs are aware of them. If people have specific questions, they should make sure they bring them before the House of Commons and are heard because those people coming before committee tend to have a very particular perspective. They are dealing with specific issues of importance to them and the rest of the Canadian public have to take care of themselves. We do have the time to deal with it adequately.

It is going to require a great deal of homework on the part of many people because accountants, financial consultants and financial advisers have had enormous difficulty with the existing legislation. Many people suggest that although there may be the resolution of some inequities with this legislation that, in fact, it is becoming more complex rather than more simple.

In closing, I would suggest very strongly and urge Canadians who are concerned about roll-over provisions and how they are going to respond to this new legislation, to get in touch with their Members of Parliament and write letters to them as soon as possible. They may have some special quirks or specific circumstances that they are aware of that we could overlook.

Hopefully, after the process in committee we will be able to come back to the House with some very specific recommendations. I would be very surprised if there are not a number of amendments to the legislation. I think it is a little early to discuss that yet because certainly my feeling is we should be listening to Canadians and providing them with an opportunity to be heard before the Standing Committee on Finance.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, in looking at Bill C-52 it is fairly apparent that this is a bill with which I personally have some difficulty in my experience as one who invests in Registered Retirements Savings Plans. It also causes concern when one considers it from the perspective of where we, as Canadians, should be going and looking to the future and making sure that all Canadians, as I

believe this government has stated in some of its material, are looked after in their golden years.

In looking at the bill and analysing it and looking at the broader perspective, I cannot help but wonder whether this is the thrust that we should be taking. I wonder whether we should be concentrating a little more on the broader perspective.

I find it very interesting that the minister who is shepherding this bill through is the Minister of State for Privatization and Regulatory Affairs. If we look at the agenda that we have had before us over the last year in Parliament and as far back as 1984 with this particular government, the fact that this minister is the one shepherding this bill one can say it is a comment on where legislation is going. A lot of this can be tied into the privatization thrust and the government's broader agenda. I would like to come back to this later.

First, let us look at what has been happening over the last year. We look at the free trade agreement and some of the forces of harmonization that have already started occurring. I would suggest that this move toward the further privatization of pension funds is another step away from Canada Pension and Old Age Security. Canadians have looked on these plans with some favour for a good number of years, ever since the original Canada Pension Plan and since 1926 when the original Old Age Security came in.

Look at what happened in the past term with the unemployment insurance bill. Again, we see a move away from public sector into privatization and harmonization with the free trade agreement. We see the clawback bill, Bill C-28, that we just finished debating prior to Christmas. Once again, we see the start of that breakdown of universality, the move toward privatization.

Now we have a Registered Retirement Savings Plan bill that, on the surface, appears to be for those in the upper-income levels or upper middle-income levels. It appears to be a bill that is innocuous, and something that perhaps we need, but if we take in in the over-all plan it seems to fit in a mesh with that thrust toward privatization and harmonization that I predict we are going to see more and more in the coming session through the upcoming budget and into the next few years under this particular government.

Let us look for a minute at exactly what the bill is proposing. The government tells us that it is going to be a new system. When one looks at the the proposed legislation we can see that it is a complex bill, one difficult to understand even after reading some of the explanatory notes given to us by the government. My friend in the Liberal party who just spoke mentioned the loopholes. There is a reason why the tax lawyer's dog is called Loophole and that is because that is the job of tax lawyers. It is to look for exactly those types of loopholes that we, as Canadians, who can afford to pay for them, can use. The more complex the legislation, it seems to me that there are more and more loopholes that we will be able to use within the legislation.

• (1650)

The key element of the reform in this particular manner, of course, is changing the limits. Presently, it is $7,500 per year to scale up ultimately by 1995 to $15,500, while we lower the limit to 18 per cent from 20 per cent. Who, in fact, does that help? Dropping on the one hand the percentage and increasing on the other the maximum, we see that the maximum works out ultimately to somewhere in the area of $86,100 at 18 per cent. That makes up a very small percentage of Canadians which this bill will help.

Let me look at figures of those who has been using the registered retirement savings plans in the past. The government has admitted as much in some of the materials it has put out when it asks its own members in one of its documents whether this is a help to the rich and another slight to the poor. The answer, of course, as the government has recommended to its members is that, no, in fact, those who are less well off do not use registered retirement savings plans.

I think the figures bear that out. But the government has missed the point once again. Let us go through some of those figures. All are based on the number of tax filers contributing to the registered retirement savings plans. If we look at those between $10,000 and $15,000, we find that 11.2 per cent of those who file tax returns, in fact, contribute. If you go lower, $5,000 to $10,000, only 3.7 per cent actually contribute to registered retirement savings plans. In the $20,000 to $25,000 range, it is 26.6 per cent, with an average contribution of $2,060.

Then we see it start scaling up until we reach in the $50,000 plus range, 57.8 per cent of those tax filers purchase into registered retirement savings plans with their average contribution being $4,700. It is obvious that first of all, those with less income have to use that income to live on and do not have the ability to pay in toward a registered retirement savings plan, but they can

and should be able to pay into a Canada pension and old age security.

Under this new plan in the first year, at $11,500, the minimum income required for that is $63,888. Now, very few of our people have that kind of money. It is interesting to note that the figures show that 5 per cent of the population have 20 per cent of all of the income. They derive 27 per cent of the benefit of tax deductible contributions to RRSPs. It seems to me there is an unfairness built into the registered retirement savings plan system. Something more has to be looked at. In our society it seems that through legislation and other measures like the proposed goods and service tax there is a greater split developing in Canada between two groups. We are having two groups; the split away from the middle income earners toward a rich society and a very poor society with few in the middle.

All of the legislation we have seen seems to go this way. The goods and services tax, for instance, has been proposed in order to get rid of the manufacturers' sales tax. As we go across Canada and hear submissions in the finance committee, we hear that the ones who are going to be hurt by this tax, because it is a regressive tax system, are those in the lower and middle-income areas.

Those who are going to benefit again are the large corporations and the wealthier in society. The argument is that the wealthy consume more and therefore they are going to be taxed more. The fact is that they spend much less percentage wise of their income on consumable goods and services than those with lesser incomes. That is the regressivity of this.

Everything, I would suggest, points to a total ignoring of those who are most in need. Should we not be looking at a system, through our systems that we have already set up, in Canada Pension and old age security, where we know regardless of our income levels that we can live above the poverty line in our golden years? Those are available to us now.

Through the amendments in the registered retirement savings plan we know now that it will cost the government $300 to $350 million in the first year for these extra tax breaks to the wealthy, because they are the ones who are going to benefit. Let us be honest about it, it is the wealthier person in the Canadian society who will benefit by these tax breaks. Might not we be better off using that $350 million in insuring an extra $30 to $60 per old age security earner to ensure that they have a little more comfort.

When you look at that $350 million that on the one hand is going out and you recognize the hypocrisy of this government, that on the one hand says: "Well, we are going to claw back from those with the higher incomes over $50,000 who get old age security, because they do not need it". On the flip side, we give them more tax breaks through registered retirement savings plans and we whittle away at our universality and our universal programs. Again, where is the fairness?

It is interesting in looking through the government's pension reform communications book for members and looking at some of the communications messages that they are telling the members to send out to note some of the key things of pension reform. The existing system is unfair and needs replacing. I agree totally. It is unfair and, yes, it needs replacing. But where do we look in this legislation? Well, obviously it is unfair to those with the most money. And it needs replacing because the people in power who have the money want it replaced. They want a bigger benefit.

Well, I suggest that we are looking in the wrong place for that fairness and the wrong direction in the replacement. I have given an idea that perhaps we should be increasing our Canada pension, our old age security, so that we do not have the need as we do now, of a guaranteed income supplement.

• (1700)

Let us go on with these communications messages. The new rules will ensure fairer, more flexible and more cost effective tax assistance. Again, fairness. Where is the fairness for those in need? Yes, there is flexibility again for those with the money.

Is it cost effective tax assistance? It certainly fits in with the agenda of this government toward privatization and getting away from universality of our social programs like old age security and the Canada Pension Plan, but again it does not help those who need the help.

We do not need to make the rich richer, but it would be nice to be able to help those who need the help. We see further that the new rules will enable more Canadians to achieve income security in retirement, thus helping to meet the challenge of an ageing population. Once again, who does it help? The people in the lower income brackets cannot afford to pay into these plans to get the tax benefits. When they reach 65 years of age and retire, they are doomed to poverty.

We have less than 25 per cent of their income now covered through the Canada Pension Plan, et cetera. Would it not be nice to be able to look forward to knowing that you would get 50 per cent of your income replaced through a Canada pension system, to know that you would be living above the poverty line instead of in abject poverty?

Further, the government goes on to say that the new rules complement measures the government has taken to strengthen Canada's retirement income system. We have seen how strong our retirement income system is as far as the old age security goes. The strength simply is not there.

We have started now by kicking the door open to the total disintegration of universality in our old age security system. Are we starting an attack now on the Canada Pension Plan? I hope not, but I wonder, is this part of the Conservative agenda for the future of Canada? To encourage us to invest in our golden years is one thing, but to cause us to live in poverty for the majority of us is totally another.

I go on in this brief and it becomes the pattern that I was talking about. The puzzle, the key pieces all start fitting together. We turn to the next page and we see the existing system is flawed and in need of reform. Where have we heard that before? I seem to remember, since the last budget, hearing about this flawed system. It is a pattern of this government to try to convince us, the average Canadian, that what we have and have had in the past is flawed and then to start just destroying it.

Yes, many of our systems are flawed but they need to be strengthened. They need to be renovated. They need to be built up. They need to be improved. They do not need to have the very foundations that hold the structure eroded. That is what is happening with this government in many of the pieces of legislation that it is bringing forward.

We talk about some of the various systems that we have. We know that they are not going to be in existence for long if this government remains in power. The start was with the clawback. The original start was in 1985 with the original attempt to deindex pensions. We know what happened there. The government backed off because of major pressures.

I am not saying that we should not have a registered retirement savings plan. What I am saying is that plan should in fact be as the government says, a fair and flexible plan but not a fair and flexible plan for those in the $80,000 and $87,000 brackets. It should be a fair and flexible plan for everybody with the opportunity to live as you age in dignity, to have the opportunity to know that you are going to put three meals a day on your table when you are a senior, to have the opportunity to look forward to some degree of comfort in your declining years. That is not what we are seeing here.

Some of the provisions of this bill are reasonable provisions but they also are flawed. An example of this is the seven-year carry over. It is a provision that in some cases makes sense if we heard what the minister of privatization said in his speech. It gives the opportunity, if you have had added expenses one year and cannot afford it, to carry it forward. It makes sense to be able to do that and appears to be a little fairness.

There is also a twist to that that we have to be careful of. It can lead to abuses again by those most able to afford to fluctuate where they invest their money.

Let us look again at some of the other things this bill offers. It offers, I would suggest, a problem to some of the small and medium sized businesses which presently have pension plans for their employees. Because of the nature and the complexity of this, it has been predicted that some of these people will leave their present plans in droves because they can no longer fit within these and will simply collapse them and go to a group RRSP as opposed to some other method of deferred profit sharing or registered pension plans.

There is proposed a problem in terms of matrimonial breakdown. I have dealt in the past with matrimonial problems in my professional capacity. I know that one thing some people who separate have to deal with is the division of assets and pension plans. One proposal that could cause some problem is the one under subclause 146(16) to prohibit the transfer of retirement income

under an RRSP unless it was amended before 1990 to provide for the transfer.

• (1710)

Those in wedded bliss at the present time might not necessarily recognize that there is a potential problem for them in the future and that in three to five years after 1990 there may be some need to look at where we are going. We have closed that door, so I am simply flagging that a bit to show that there are problems within the bill.

If we are going to keep the registered retirement savings plan bill I would suggest that the levels be lowered to make it fairer and easier for middle income and lower income Canadians to invest. We should be looking at a tax credit system instead of at a tax deduction system as we have now.

Who does that benefit? That tax credit system will benefit the poor or lower income earners, but it is not a desirable thing for those with upper incomes because in a tax deduction system they get a lot more benefit for each $1,000 amount they invest in a registered retirement savings plan.

In 1983 the parliamentary task force on pension reform recommended the conversion of deductions to credits. It noted in that report a most important fact, that the tax benefit is worth more to those with higher incomes, which means that its effectiveness in encouraging people to save for retirement is strongest in the upper income groups and much weaker in lower and middle income groups.

We do not believe that government need concern itself with the adequacy of replacement incomes for those in the upper income groups. We believe that substituting a tax credit for the current tax deduction would serve to retarget tax incentives toward those in the lower middle income range, thereby providing the means to meet one of our major concerns regarding coverage.

It also appears that the Canadian Labour Congress, the National Council of Welfare, the Canadian Council on Social Development and the Canadian Advisory Council on the Status of Women strongly support conversion of RRSP tax deductions to tax credits. I suggest that is something which should perhaps be looked at.

When this bill was originally brought by the government before Parliament back in 1986, it was in essence in the same form that it has been brought in this time. In an editorial on October 16, 1986 in *The Toronto Star* it is interesting to note that it was said that if the Minister of Finance had $300 million to spend, he would do better by putting that amount in the guaranteed income supplement which tops up old age pensions for the needy. An injection of $300 million into that program would enable the government to pay an additional $30 a month to more than 600,000 elderly single women who have no source of income and who are now living below the poverty line.

Another point is that the Minister of Finance calls this proposed tax break a key element in the government's plan for comprehensive pension reform, but in enriching tax deductions for the wealthy he mocks the government's stated commitment to provide more for those in greatest need and at the same time has pre-empted his promise of meaningful tax reform.

I think those comments made in October, 1986 are very true. Today, in 1990, things have not changed. We still have problems within the system and there still are ways of getting around some of these problems.

I look further at the bill and I wonder to whom can we look? Who needs to be helped in this pension reform? I have talked about the needy, the poor, the middle income earners, but what I have not spoken about is women. I think it is very important to note that over the last few years there has been a continued feminization of poverty, that more and more of our population of women are falling further and further behind.

Again, when I speak of poverty and we think of a broad spectrum, in fact what I am speaking about to a great extent are women and children. With the agenda that we have seen before us over the last few years those people sink further and further into desperation.

It is interesting to note that in 1986 women made up 56.1 per cent of all low income Canadians, compared to 57.3 per cent in 1981, emphasizing what I have just said: the feminization of poverty.

It is also interesting to note that only 16.5 per cent of female taxpayers or approximately 1.3 million women contributed to RRSPs in 1987, compared to 24.1 per cent of male tax filers or approximately 2.1 million. So there is a two to one ratio in this situation. This figure actually inflates the number of females who contributed to RRSPs because it is based on women who actually filed tax returns.

Women represented 39 per cent of the total number of RRSP contributors in 1987, contributing 32.8 per cent of the value, while men made up 61 per cent of contributors and held 67.2 per cent of the value of all RRSPs.

We know that women continue to earn considerably less than men. I think the figures show somewhere in the area of two-thirds of what a man makes and they cannot afford, in many cases, the luxury of contributing to a registered retirement savings plan.

Where is the fairness for women? It is a problem. I would suggest to you, Mr. Speaker, and to the government that that problem could be partially solved by more fairness in the Canada Pension Plan and the old age security.

In a political context, let us look back at what has happened in the old age security bill, the clawback bill that I have referred to. I have also referred to the hypocrisy of the clawback.

A representative of the Canadian Council on Social Development said that we are starting to replace a progressive and visible benefits system with hidden subsidies that are in fact regressive. For example, we may eliminate the OAS, the old age security benefits, among higher income people but for the generation who will be seniors when this measure has its full impact, we are more than replacing them by increasing the limits on RRSP deductions and by putting in place a capital gains exemption. These kinds of measures provide high levels of subsidy, higher than the cut in old age security to high income people.

• (1720)

Once again I emphasize that we are not looking at solving the over-all problem. This government is reacting to political pressures of those who brought them here. It obviously goes by the adage: "You dance with the one what brung ya". That is what is happening. The government is dancing to the tune played by those wealthy Canadians and wealthy corporations on an agenda that is bound to increase the problems within Canada as far as income levels go. As I said, the rich get richer and the poor get poorer. That is what we are bound to if we continue down the path we have started with this government.

I cannot see that we have accomplished anything by helping those with higher incomes live beyond the wildest dreams of those with lower income levels in their retirement. That is what we are looking at in this particular bill. We are assisting those people with high incomes to continue to live in a style and in a manner that could not even be touched by most Canadians. That 5 per cent or less of Canadians seem to be controlling what is happening in Canada.

In conclusion, I simply say as a member of the New Democratic Party that I can see the value of registered retirement savings plans in the over-all scheme of things. I fully believe that we should be looking at what was fought for in 1926 with the old age security and the later Canada Pension Plan debates. We should be looking at a system that is fair for all Canadians, not just the Canadians who can afford to purchase that fairness. I believe that the government should look at that when it talks about fairness, flexibility and expansion of systems.

As this bill sits before this House I cannot support the it.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to speak on this bill which is being called part of a pension reform package. I think the New Democratic Party has an honourable tradition in Canada of being the party that was probably the most instrumental in ensuring that pension schemes for the elderly were brought in. I would like to refer to one of the most distinguished people who worked for Canadians, who was talking about his hopes for the Canadian pension system.

What I like most of all about the Canadian pension plan, about the two-stage plan which we are now deploying for Canadians in their years of retirement, is that we are trying to reach a position where we are providing pensions that are adequate. I do not suggest that the levels which will be achieved by combining the Canada Pension Plan at its best with old age security at its present level are really the last words in adequacy. At least we are talking about pensions of quite a different

order than that which seemed to be accepted a few years or decades ago.

I hope that having accepted the principle that retirement security should be based on adequacy we would go on to improve that basis and find ways and means of raising the level of our pensions so that all Canadians can look forward to retirement in decency and dignity. Of course this was the Hon. Stanley Knowles who was speaking in 1964.

I think that his hopes for adequate universal pensions have not been fulfilled and this bill is nothing but a travesty when compared to what was intended. This bill has nothing to do at all with providing adequate pensions for ordinary Canadians. This bill is designed solely to help the rich. I think it is interesting that it is not only supported by the Conservatives, but it also is basically the same types of proposals the Liberals proposed in 1983.

As most of you are aware I am a social worker by background. I work with people on the lower end of the income scale. Canada has a large number of elderly even today in spite of our pension plans who are living in poverty, particularly women. This is going to escalate dramatically in the next two, three or four years for two reasons: first, the cost of housing has become intolerable in Canada, particularly for people on fixed incomes. The elderly on minimum pensions, old age security, GIS and minimum company pensions simply cannot afford the housing costs that are now developing in Canada. They are also going to be hit with the new GST.

This bill is not about designing a universal, guaranteed level of income for all seniors. Let us look at what it does. What it means is that by 1995 people who earn $86,000 will get a tax benefit of $15,000 and, in reality, a cash payment of $7,500. Right now—and it is not progressive—at the same time it is being increased for people on high incomes it is being decreased for people on low incomes because of dropping the percentage.

Let us take a look at what happens as you change from the 20 per cent to the 18 per cent by various income brackets. Right now if persons on a minimal income of $20,000 could afford it—and not many of them can—they could contribute $4,000 into an RRSP. In 1995 when it is 18 per cent, they will no longer even be able to contribute that amount. They will only be able to contribute $3,600. At the same time persons earning $86,000 today can contribute only $7,500. In 1995 they will be able to contribute $15,000.

• (1730)

What are we talking about here? We are talking about diminishing the opportunity for saving for retirement years for those on low incomes while at the same time increasing it dramatically for those on higher income. In 1995, with this tax system a person earning $20,000 will get a tax-back credit of $1,200. But the person with an income of $86,000 is going to get back $7,500. What kind of a country is this that gives the wealthy $7,500 and the poor $1,200? Obviously, it is Conservative country.

It is not now equal if you contribute to RRSPs. If you are in the highest tax bracket, for every $1,000 you contribute you get $450 back. If you are in the lowest tax bracket, if you can afford to contribute, you get $264 back. Who can afford to contribute? We keep talking as if this is going to help, in some mystical way, the person who is on a middle or low income. That is absolutely nonsensical because people on middle and low incomes do not have the cash to put away.

Right now only 20 per cent of all Canadians are using RRSPs. We have here a bill that is talking about a tax benefit for 20 per cent of the people, but really it is not 20 per cent of the people because only 5 per cent of people earning under $15,000 use RRSPs, but 57 per cent of people earning over $50,000 use RRSPs. What we really have is a bill aimed at helping people who are earning over $50,000. If that is the best way the Conservatives feel they can provide adequate pension programs I am utterly stunned.

This is a bill that favours men. Women are the group that face poverty in this country the most. In my work I have seen women who are financially unable to maintain themselves in the community by paying rents and are desperately trying to get into care facilities because their food and shelter will be paid for there. They cannot afford to rent an apartment in Vancouver or Toronto.

They cannot afford to buy food so they desperately try to get into a care facility.

It is a most pathetic thing to see a woman who could maintain her independence in the community, who could have a quality of life, being forced to humiliate herself by trying to get into an institution because it will look after her.

We have to remember that it is women who earn minimal wages in Canada. In 1967 women earned only 46 per cent of what men earned. It 1986 it had gone up to 57 per cent. That is an improvement. The women are not the $86,000 wage earners, they are the $15,000 wage earners, so they are automatically put at a disadvantage with this type of system. They are not going to be the beneficiaries of this.

I think we have to look at alternatives. My colleague has already mentioned one. The government is going to blow another $350 million on this to help those rich, $86,000 people have a nice holiday in Dominican Republic or Jamaica or Florida or wherever they go. Why not use that $350 million and add it to the Guaranteed Income Supplement? Let us give those 600,000 women in Canada, who now have no other income other than Old Age Security and GIS, $30 a month more. Do you not think that they deserve the $30 more than the person who has an $86,000 income deserves another vacation in Hawaii?

This bill is also about the privatization of Canada's pension system. Increasingly companies are abandoning company pension plans. There has been a reduction from 1984 when coverage in the labour force by company pension plans was 39.9 per cent. That is a bloody low percentage as it is, but by 1987 that had been reduced to 36 per cent.

Part of the reason is the costs. It has been estimated that there is going to be a $60 million to $70 million initial start-up cost for employers in initiating this bill. According to the vice-president of the Canadian Life and Health Association, small businesses are fleeing pension plans in droves. They can afford a pension plan, but in the new pension environment why would they put up with the hassles of a pension plan when the federal government has offered a perfectly viable, less demanding alternative; group RRSPs. The new tax rules with the pension adjustments and pension adjustment reversals seem likely to be another administrative nightmare which will squeeze more pension plans out of the system.

It is not accidental. I think there is an intent to privatize the pension system, and part of it is that RRSPs are a big source of investment capital. Really what the Conservatives want to do is give the wealthy a tax break, a tax loophole where they can accumulate investment capital, whether that is investment capital that is lent to corporations or whether it is RRSP self-administered investment capital. It is simply a system through which the Tory government, with the passive support of the Liberals, is saying that it is okay if the wealthy increase their wealth.

Let us look at a few of the alternatives. We have $350 million extra to spend with this. It has been estimated that this year alone RRSPs will cost $10.8 billion of government money in lost taxes. Remember, most of that is going to people earning over $50,000, it is not going to the people earning minimal wages.

Let us do two or three things in the area of pensions; let us look at changing the rules and let us make it a tax credit system so that if the wealthy contribute $1,000 and the poor person contributes $1,000, they both get the same tax relief, they get the same tax money back in their hand. Why shouldn't the poor be allowed to accumulate more money? In fact, I would even go so far as to suggest that what we really should do is reverse it. In 1995, if the person who earns $86,000 makes a contribution they should get a tax benefit of $4,000 and the poor person should get a tax break of the $7,500. Let us reverse it. Let us reverse it. Instead, make it that the poor or the minimal income earner is given money back rather than the wealthy. That is the first thing. Let us at least make it a tax credit system. If not a tax credit system, let us be bold enough to go even further and make the benefits to the low and middle income person more.

• (1740)

Second, let's increase our Canada Pension Plan. This is the universal program that is designed to ensure adequate universal pensions for all Canadians. It is only because the rich do not want it that we do not have it. We could be doubling and tripling our Canada pension plans. It would certainly make some of the big life insurance companies a little uneasy because they would not have all these private pension plans floating around.

Let us also look at programs that allow people who are not in the conventional labour market to contribute to pensions, including the Canada Pension Plan. There have been discussions about making it possible for women who have chosen to stay home to be part of our pension plan system on a systematic basis, something which they cannot now do.

I see that the Speaker is indicating that my time is up. I would therefore like to sum up by saying that I cannot support this legislation. I think it is a piece of legislation that the Tories have concocted to pay off their wealthy friends handsomely. It is not pension reform. It has nothing to do with guaranteeing adequate levels of income so that people may live in dignity when they retire.

We have to go back to the words of Stanley Knowles and bring in a true pension reform program.

Mr. Richardson: Mr. Speaker, I was listening to the hon. member's speech and I wondered if he was speaking on the same bill as is before the House. I must say that I see all sorts of areas here where loopholes have been closed in this tax reform. He mentions it benefiting the rich. It seems to me that the tax assistance to high income people will be curtailed by this bill. I wonder if perhaps the member could point out to me where he sees that benefit to the rich. It seems to me it is quite the other way around.

I look at the area of assistance for young families who now, when buying a new home, would not have an opportunity to make the maximum contribution to their pension plan because all of their cash is going into the purchase of a home or savings for a home. Today that opportunity is lost. With this tax reform such a young family, or a young woman going out on her own, or a separated family that needs that extra cash, rather than losing that opportunity to put money into a pension, they have a seven-year carry forward which gives them that opportunity. That is only one aspect as I read through this bill.

It seems to me that many loopholes for high income earners have in fact been closed. This new tax reform in this pension bill makes it much fairer for all Canadians right across the board.

I enjoyed the nostalgia trip back to 1964 with Stanley Knowles, but I wonder if the member might want to talk about this bill in 1990.

Mr. Karpoff: Mr. Speaker, not only would I like to talk about in 1990, I would like to talk about it in 1995 and all the years in between. Does the hon. member really believe that he can hoodwink the Canadian public by saying that we are going to give a $1,000 tax credit to people earning under $20,000 and a $7,000 tax credit to people earning over $86,000? That is money back. That is the same as the government taking it out of its pocket and sending them a cheque. That is what this bill is all about. That is what this bill is all about. It makes it possible for the wealthy to avoid paying their fair share of taxes.

The member talks about the young couple buying a house. This government has made it impossible for young families in this country to buy housing. The high interest rate policy that it has continued to carry on means that families who are earning even $30,000 and $40,000 cannot afford to buy a home. The government did away with the RHOSP which at least enabled people to save a little money for a downpayment.

The member stands up and talks about these people who are buying a house. If they are buying a house in this country they probably are earning over $50,000 or $86,000. They are not the single parent on a wage of $18,000 a year. What do single women in this country earn? They do not earn $86,000. They are the ones who are working at the $5 and $6 an hour jobs. That is not going to get them into the tax brackets that this piece of legislation is intended to benefit.

Mr. Robinson: Mr. Speaker, I would like to thank the member for Surrey North for his comments with respect to this legislation and for putting it in the context of our approach to the whole question of tax reform in this country. As the hon. member has noted, the 20 per cent of Canadian families with the highest incomes ended up with 41.8 per cent of the total income pie and the 20 per cent of families with the lowest incomes got less than 5 per cent.

What this legislation would do, of course, is make that even worse. An individual who earns $20,000 a year would get an annual tax break of about $1,200 but someone who is making more than $86,000 a year would get an annual tax break of $7,500 a year. So this is regressive tax reform.

I must say that I am disappointed in the Liberal Party. It is not surprising, I suppose, that they are standing with the Conservative party on this legislation since, of course, it is very similar to legislation that they tabled in 1984. We had hoped that perhaps on this policy, as on so

many other policies, we might have seen a change of heart by the Liberal party.

We remember that it was the Liberal party, for example, that was responsible for the testing of cruise missiles in Canada. Somewhere along the way they changed their position on that. I had hoped that perhaps on the question of tax reform they might have had a change of heart as well. But no, they still remain the captives of the corporate elite in this country. I challenge the Liberal members in this House to stand up and defend tax reform which gives more to a person making $86,000 a year than it does to a person who is living below the poverty line. Is that really Tory and Liberal tax reform?

I want to ask my colleague from Surrey North if he might just elaborate on the whole question of equity in the tax system. In fact, we are talking about $350 million of income that we are forgoing. There are merchant seamen who served this country with distinction during World War II who have been denied a fair pension plan. The Speaker is aware of this as are members in this House. If we have $350 million to deal with a fairer taxation system, why do we not finally start treating our merchant seamen with some dignity and some respect? Why do we not start treating our railway pensioners with some dignity and some respect and bring in a much fairer system of pensions for railway workers?

I commend the member for Surrey North for bringing to the attention of the House, and through the House all Canadians, the silence of the Liberal party with respect to this tax reform and their complicity with the Conservative party. Also, I would ask the hon. member if he would elaborate on his views with respect to equity in the pension system in this country and on what he might do, and what we as New Democrats would do for a fairer pension system that would benefit those who are struggling below the poverty line today.

• (1750)

Mr. Karpoff: The question of equity is a major one. The vehicle we should be looking to is not tax loopholes through RRSPs but the whole issue of the adequacy of our two basic pension programs; the Canada Pension Plan and Old Age Security. What we should be doing is increasing those, not bringing in such nonsense things as clawbacks. We should be increasing the universal portion and broadening the base on which Canadians can contribute to the Canada Pension Plan, increasing the benefits under the Canada Pension Plan for employees and employers to contribute. We have to find mechanisms by which people who are not in the conventional workforce are able to contribute to the Canada Pension Plan.

Equity is a major issue which is developing in this country, not only in terms of adequacy of pensions, but in terms of taxation. Repeatedly we see the government bring in programs that reverse the equity of taxation.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I appreciate the opportunity to participate and I want to comment on the remarks of the member from Burnaby. Some people are very short-sighted in this world. Short-sightedness seems to come in different things. Often people listen to others before they comment on what they have said or what they are going to say. It would do the member for Burnaby good to listen rather than to speak about what the Liberal policy or position is.

When I look at Bill C-52 I find that there are many areas of it that raise concerns among my colleagues. When I look at goals of pension reform plans I have to think about what the object is. When we look at pension reform we have to look at a program that would bring dignity and comfort to those in their senior years in any country and any civilization. That really has to be the ultimate of where we are heading with this reform or any pension reform.

The government has the challenge to provide legislation which will be fair, which will provide an equitable situation for all Canadians and which will treat all Canadians equally. I believe that to be a very important part of the challenge the government must put forth in legislation.

The pension plan today needs reform. There is no question that there are many difficulties that many senior citizens are experiencing. The National Council on Welfare has stated that 600,000 senior citizens today in Canada live below the poverty line. Many senior citizens live many thousands of dollars below the poverty line. We not only have 600,000 below the poverty line, we

also have senior citizens who are as much as $3,000 and $4,000 below.

They are experiencing difficulty today because of inflation. We have gone through many years of high inflation. We have experienced all kinds of inputs from government expenses and from business sector profits, all of which have created a larger need for dollars to be spent in our society. Many of our seniors are definitely having their incomes eroded through inflation. Therefore, the legislation presented should give comfort and dignity to seniors and should meet the needs of our senior citizens fairly and equally.

I believe that Bill C-52 does not meet those needs. I do agree with some of the speakers who have said that the bill seems to give benefits to the rich. It does not address the problems that the low and middle-income people are experiencing and it does not address the needs of many future situations that we will find in Canada.

Approximately 40 per cent of our workforce are not able to receive money from registered pension plans. Certainly we have the Canada Pension Plan, we have support programs, but in reality those programs do not give our seniors enough to live well on after retirement. Certainly the need for other support programs is there and we must look at that very carefully through any legislation that we bring forward.

We also know that 40 years from today the number of people over 65 will have doubled from today's figures. Because people are living longer today and because we have gone through the baby boom and the baby boomers will be retiring, we are going to have a much larger population of seniors and we are going to have a proportionately much lower number in the workforce. The result is that there is going to be a tremendous stress for dollars some place along the line to make sure that there are programs in place to support all of those who will be retiring today and in the future. If we do not come up with proper planning and proper programs today, then I think the future does not look good for low and possibly middle-income Canadians.

Bill C-52, a bill for pension reform, leaves open, I think, three questions that one must answer; what is being proposed in the bill, who benefits from the bill, and does that bill meet all the needs of our Canadian people.

On close scrutiny I think the bill is to raise certain amounts of money that are set aside through contributions by people in today's workforce and going through 1995. Today's limit of $7,500 will increase so that people in the specified income brackets will be able to contribute $15,500 to pension plans by 1995 or, the other restriction that is on that, 18 per cent of their income, whichever figure is less. My mathematics seems to be correct. As many others have pointed out this afternoon, if you can put $15,500 into that fund, and if it is put in on the basis that it is 18 per cent of your income, the upper limits of the program are allowing people with $86,000 a year incomes or more to contribute to the fund at full tax rebate when they put the money in.

It is clear then that it is people who are making $50,000, $60,000, $70,000, $80,000 who are getting the large benefit of the $300 million to $350 million that the government is setting aside because of the tax losses it will have when the program is instituted. We are not only talking about people with $60,000, $70,000 and $80,000 incomes. If they have those kinds of incomes they must also have 18 per cent of that income to put into a pension fund, which means that they really need to have an excess of many thousands of dollars that is not spending money that they put out each and every day.

It was questioned a little earlier whether a young couple starting out will be able to put money into those funds as the limits go up to $15,000. I think about a young couple working in Toronto. With the types of mortgages they have to acquire and the expenses they have to pay, I cannot see that young couple having $15,000 or $16,000 to put into an extra fund in a few years.

• (1800)

I also have to point out that not only is it a problem for young couples living in Toronto, but any young couple with today's living expenses would have to make a tremendous income to have one-fifth of its income set aside to go into a plan.

I look at average Canadians as their children get older and start to school. School expenses and other expenses having to do with having a family are again going to stop

the average Canadian from participating in this major benefit.

It is not a benefit for the average Canadian. It is a benefit for those with very high incomes who are not spending it all. They have extra dollars.

With respect to the seven-year forwarding of the plan, a person right at the maximum of that seven-year forwarding is making $86,000. He could, over a seven-year period, be in a position of being able to have $100,000 in one year dropped into a pension fund and avoid taxes on that completely.

People with huge business deals who are getting tremendous profits from certain investments, and having all of this money coming in at one time are able to dodge the taxes on it. I think that is a major loophole. I think it is a loophole in this proposed legislation which is not going to be shared by the average Canadian. It is only going to be shared by the very wealthy.

The people at the other end of that scale, the low-income Canadian, is restricted to 18 per cent through Bill C-52. Today, he can invest 20 per cent. The fellow who really worked hard and got all the RRSP investment that he could will be cut back by $500 at the low level. He will be cut back 2 per cent and not be able to invest the same dollars as he could have the year before.

What we are seeing is a program that will aside more for the wealthy, more tax gains for the wealthy, but lower tax benefits for the less privileged, those with lower incomes.

Indexing is another point that has been brought forward. We have heard enough about indexing. We heard about indexing with the GST. According to the government it was not fair to totally index or fully index tax credits. It was not fair to fully index the tax thresholds. Thus the lower-income people get only partial indexing for the benefits they are going to receive.

However, on the other hand, the benefits that the very rich will receive in this particular bill are going to be fully indexed. It really is a mistake to give full benefits, full indexation to the very rich from 1996 on, while the poor will only receive partial indexing in the other programs.

We hear about the clawback system. There is a clawback because when somebody gets up to such and such a level we are going to take back some of the benefits that we are giving in old age security and family allowance. Why are we clawing this back if we have those extra dollars that we can fully index when very well off people get tremendous tax benefits out of this legislation? Why is it that the government treats low and middle-income families in a much different way than it seems to treat upper-income families and yet at the same time claim the treatment is fair? I have a major problem with that.

Talking about tax brackets, if one makes a very high income and is in a high tax bracket, each tax dollar that one contributes to a fund will in fact bring higher returns than if you are in a low tax bracket. The difference has been spoken of again today several times. I believe it should well be reiterated.

For every $1,000 a person in a high tax bracket puts into this program he will receive a tax benefit of $450. However, for every $1,000 the low-income people put into it, they will only receive $264. There is a real disparity here of close to $200 per contribution.

I think if we are going to be very fair we should consider one of the strong proposals that did come forward in 1984. It was that we have a tax credit system. Through that credit system we would make certain that all of those benefits would be averaged evenly. So when the low, middle or upper-income person puts dollars into an RRSP they would get the same benefit back. I believe that equal treatment for all Canadians is extremely important and very fair to our system.

We talk about costs. The government estimates from $300 million to $350 million. I have heard some estimates as high as $500 million for this program. Certainly, the experts will be able to give us the background and information on that.

But it is still a problem. In the last six months we have heard about our deficit and our debt. We have been told that we are going $300 billion or $350 billion in debt. We have been told we have to cut back. We have been told that we cannot fully index programs because of the extra costs. At the same time, we are going to fully index tax benefits which I see would go the wealthy. We are going

to put out $350 million to help very well-off Canadians with their tax supports.

At the same time I would also point out that our government in the last year has come up with 31 tax increases. The GST is on top of that.

Why penalize low and middle-income people, lower their benefits from what they could put in now at 20 per cent to 18 per cent and at the same time increase the amount of money that well-off Canadians can put in?

Another point that I think is reasonably important as I look through the legislation is that it really does not take into account many of the people in our population today who have part-time jobs who are coming into a social situation where the dynamics of jobs is changing. More and more people are on part-time incomes. I think that is a reality within our whole structure. I believe that any pension legislation should address those particular types of questions.

We have a workforce that is very mobile. Workers move from one area to another. They work in different locations. Why did we not address portability of pension plans from one employer to another to another?

We have a new terminology that has come into the legislation called "pension adjustment". That pension adjustment will be either calculated by Revenue Canada, which tells people how much they will be able to put into the plan, or it will be calculated by the employer. It will be given to the employees or the workforce at the end of the year when they are paying into these plans. But the problem is if you run into a difficulty or a dispute about how much you can put into a program you are certainly going to be in a very difficult situation. I say that because I do not know of Revenue Canada ever holding up any time and letting people file later. You will be into a situation where you have a pension adjustment that you do not even know about when you start into the year that you are paying the taxes.

The correlation of times when we are putting the GST into place while at the same time bringing this into place will drain many dollars from our economy. It is going to create more of an impact. It will pull our economy down more, slowing it down. Everybody in this country is really concerned about the slow down in the economy presently.

I have heard too from the minister that our goal is pension income between 60 per cent to 70 per cent for the average Canadian. If we stop and look at the figures, we realize that many low-income Canadians do not have that extra cash to participate in RRSPs. If they do not have that extra spending power to become involved and do not work where pensions are offered, then we encounter another dilemma.

• (1810)

We have the dilemma that the only pension benefits they will be entitled to in the future in many cases is what they get from the Canada Pension Plan and the Quebec Pension Plan and from the supplementary benefits. Not having other pension plans they will be the ones who are stressed in the future. They do not have the capital to buy into programs today.

Again, I do not think that we are dealing with the really crucial issue that is facing our pension system, and that is the dilemma faced by low and middle-income families who do not have that extra dollar.

To illustrate that point further, in 1986 we talked about people with $15,000 incomes, only 5 per cent of whom could contribute to RRSP programs. However, at the same time in the same year those with $45,000 incomes 61 per cent could contribute.

I will run that by hon. members again. Only 5 per cent of people with $15,000 incomes could contribute. Out of those with $45,000 and above incomes, 61 per cent of the people contributed. That is a real disparity in ability to pay and to buy into plans. We know that exists from the dollar and cent discrepancies and free cash that people have to spend.

I would like to wrap up my thoughts with a couple of points that were brought out by the government.

The current RRSP contributions as stated by the government are somewhat unfair. But our government continues to treat people equally unfairly. It seems to me that the policy here is more a policy not to help the poor and those who need extra support on retirement but to help the more wealthy.

People need fair treatment. I believe it is very important in our society and that should be the goal of pension reform. I do not believe that this bill brings that fairness to bear. I do not believe that this bill really deals with the

major problem, that is, those with low and middle-incomes and their retirement years.

Mr. de Jong: Mr. Speaker, I enjoyed the comments of the hon. member for Essex—Kent. They were certainly a little different than what we were led to believe was the position of the Liberal party.

My first question to him would be this. Were his remarks representative of the Liberal party and in fact will the Liberal party be opposing this legislation?

One has to keep in mind that the government claims, and it appears now to be correct, that many of the proposals in this legislation originated from the pension reform proposals of Mr. Marc Lalonde, the last Liberal minister of finance.

If the hon. member's comments are indeed representative of the Liberal party, then the Liberal party has changed somewhat in its position *vis-à-vis* pension reform.

My second question to him is this. While he very eloquently exhibited the unfairness of the system in terms of tax benefits, that because it is a tax deduction rather than a tax credit, those with higher incomes will of course receive much greater tax benefit from their pension contributions than those in the lower-income brackets who are paying a lower rate. I did not hear him talk about the importance of a universal pension program.

We know that with the Conservative agenda, part of the privatization agenda is also the privatization of the pension fields. Our speakers and our position has always been that we need a public pension system that provides an adequate pension for every man and woman in this country when they retire. I would really be interested in hearing the position of the Liberal party on that. Can we hear from them a reaffirmation of the importance of a public pension system, rather than relying on the trickery of the new right agenda?

Mr. Pickard: Mr. Speaker, I do appreciate standing and being able to answer the questions that have been brought forward.

My comments were very much directed toward inadequacies that I see in the legislation. The Liberal party, being the open party and the straightforward party it is has very clearly decided as well that we would like, as Mr. Young said, experts to come in and look at these very specific points that are being brought up. We would like to examine all of that legislation very carefully.

Without question, it is so important that we state the viewpoints, the concerns we have, and then be willing to listen to the experts and their comments with regard to those problems.

So my viewpoint very clearly is the viewpoint of the Liberal party, and the Liberal party wishes to have those issues brought forth to the Canadian public. But I think it is also in part a responsibility of any opposition party to point out where they feel there are weaknesses and concerns, and let those concerns be heard.

I feel that, yes, I am very consistent with the viewpoints I have and my colleagues have with regard to this legislation.

Second, you bring us back to 1984, and ask that we visualize things in 1990 the way they were in 1984. When we talk about the disparities that I see here, I realize that my colleague, Mr. Lalonde, brought forward legislation that would bring the levels of taxation contributions up to $15,500. As well, that was good in 1984. However, in 1984, we were not facing a $350 billion debt. We were not facing huge government cuts. We were not facing the policies that we are facing today. As a result, I would say that you cannot compare oranges to oranges over time. Things do change. I believe that in this particular case things have changed.

Mr. de Jong: Mr. Speaker, certainly the opportunity of asking questions gives one the ability to get more revealing statements on the record. Of course, what is unfair today, certainly was not fair back then. To be sure, I really do not believe what the hon. member is saying about back in 1984. He said that the country could afford unfairnesses more then than it can now. That is what the member is saying.

The member, in essence, in his remarks stated the unfairness in the proposed changes. He stated the unfairness in having a tax deduction rather than a tax credit system that allows those in the higher income groups to benefit more than those in the lower income groups. Of course, those who pay no tax at all are not going to benefit at all. They are not going to get any tax benefits out of these proposals.

His remarks were very much to that point. Unfortunately, I also find that he was unable to clearly tell the House that his remarks really represented the Liberal

party and that the Liberal party will be voting against this motion and against this bill when it comes up.

We are certainly watching with great interest to see how the Liberal party will vote when it comes time to do so. When everything has been said and done and all their rhetoric has been given, it is how we vote that really indicates where we stand on this issue.

The other point I want to make is that the hon. member did not respond to my third question. It was with respect to his position on the need for a universal public pension system as the basis of the pension system in this country, as opposed to the privatization of the pension system. If he would care to, I would certainly like to hear his comments on that topic as well.

Mr. Pickard: I really appreciate standing up and answering the member from Regina, Mr. Speaker. I found it fairly significant that the member stumbled over this tongue several times as he was talking about fairness and unfairness. Maybe part of what he was saying was not quite accurate.

• (1820)

If you recall the legislation and look carefully at it you will see that a tax credit system was suggested in 1984. That was a clear point that I brought forth today and that you said was not. That was the 1984 position.

As we look at the programs, we see that there are times when things look very prosperous from one perspective. However, what I pointed out were very clearly examples of direct unfairness in the program. I feel they are there. I am not saying the legislation in 1984 was perfect, but it was not the same legislation that is being brought forth today.

I do not know that you can ask me to comment on the 1984 legislation and today's legislation and compare the two. That is not the point that we have here. The point is what is fair, and I mentioned the tax credit system in my words. 1984 brought that forward. I see no inconsistencies in what is being said today.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to stand in this House and make my first speech of this decade. In this context I just want to explain the political context in which I am doing that. This bill, Bill C-52, which amends certain provisions of the Income Tax Act governing tax assistance for retirement savings, sounds quite innocuous. But we must look at it in the whole political context.

For instance, in December, on the last sitting day of the House, we saw the clawback of old age pensions. We saw the clawback of family allowance. This suddenly takes on a more sinister appearance. That is what I want to address my comments to this evening. I think all of us in this House have to look at the long view of where this government is going. What may seem to be somewhat innocuous on first reading is in fact a very complex bill. So you have to be very firm minded even to attempt to read through the bill. That it is the political context.

I think it is quite stomach-churning to think of the hypocrisy of clawing back old age security, a measure which we passed in this House on December 22 in the name of deficit reduction while increasing tax deductible contributions to RRSPs. This will be done at a cost of $300 million to $350 million of taxpayers' dollars. It is clear the hypocrisy is quite enormous. It confirms the view of the clawback as a device to eliminate universality and not simply as a mechanism to reduce the deficit.

This bill cannot be seen in isolation. It is all part of the plan. As my colleague for Okanagan—Similkameen—Merritt pointed out, the minister who is shepherding this bill through the House is not the finance minister. Nor is he the Minister of National Revenue. No, he is the minister responsible for privatization. That kind of gives you a little clue as to the intent of this bill.

What we in the New Democratic Party are doing, and I think increasingly so, is demonstrating that we are the real opposition. Not only are we opposed to this government's legislation, which is our duty as an opposition party, but we also have the alternatives. I think that that is clear on this first day in this new decade. We are on our feet in the House demonstrating again that not only can we oppose this government, we can propose alternatives.

The alternatives proposed are not new. They are ones that are consistent with our principles. Unlike the Liberal party, we do have principles by which we live. That is how we distinguish it. The Liberal party has a very interesting persona. It is a chameleon-like persona. When members of that party are on this side of the House they become very progressive. They take on our hues because of their proximity to us. However, I think this bill demonstrates, because of its similarity to the Liberal bill which was introduced in 1984, the same intent. That is to say, it makes sure that the big spenders and the big income earners get protection so that they

can save money and not contribute to the tax system. It is the lower and the middle-income people who pay the burden of the taxes in this country. There is no justice in that.

We in the New Democratic Party are firm in our principles that we are opposed to that kind of tax reform.

Mr. Milliken: They don't buy RRSPs in that party.

Ms. Hunter: I can hear that the Liberals are getting a little antsy because we really do have the alternatives. All they have is the rhetoric. As my colleague for Okanagan—Similkameen—Merritt has just pointed out, it was the same with the GST.

I want to talk about our alternatives because we have some. It is that pension coverage provided by RRSPs is offered by the universal, fully indexed and fully portable Canada and Quebec pension plans. The money being spent on the changes in Bill C-52 would be much better directed toward a significant expansion of the public pension system, thereby ensuring that those low and middle income people do have security in their old age.

That is what this is supposed to be about. That is what those of us on this side of the House—at least at this end of the House—believe the tax system should do. The tax system is a means of redistributing wealth so that those people who have the most can contribute the most to the welfare of us all.

Bill C-52 certainly does not do that. It protects those people. It shelters their money so that they do not have to pay their fair share of the tax burden.

I think we also have to understand the kind of paranoic concern that has been generated by the government on deficit reduction. The minister responsible for privatization stood in the House today and gave his reasons why this is such a good idea and why we should all go along with this. We should consider that $350 million is not going into the tax system because of this measure.

Why is this government using the bureaucracy of government to protect those income earners in the $60,000, $70,000, $80,000 or $90,0000 a year bracket? Why are we using the mechanism of government to protect people who can look after themselves very well? If they believe in the free market system, then let them look after themselves. Let the tax system provide benefits for those who have more difficulty in looking after themselves.

It is somewhat curious that when we are talking about deficit reduction and how we have to be really hard nosed about government spending, that they are using tax dollars to shelter the wealth of those high income earners. I say tax dollars because it is the government bureaucracy that must do this.

We need a fully public pension system that does protect people. Bill C-52 does absolutely nothing to eliminate poverty among our seniors. What we are really about is providing good government. It should be good government, minimal government, so that it is not protecting those people who can protect themselves very well. It is protecting minimal government so that we are talking about not encouraging people to get involved in government. I am talking like a Conservative. I am just pointing out the hypocrisy of this bill.

I would be very interested in hearing the responses of government members' to my criticisms. I am hoping that they will be up on their feet and asking me questions afterwards. They seem to want to do it now rather than later.

• (1830)

I want to point out what has been pointed out by other members. This Bill does increase the polarization between the rich and the poor. This is going back to the political context in which I started my address this evening. It fits in. This is what the government is doing. It is increasing that polarization so that that shrinking middle class is going to be under attack more and more. The middle class are either going to have to find some means of getting into the higher income bracket so they can be protected by this government or, more likely, they

are going to sink into the lower income brackets. It is happening with the GST and this bill is absolutely consistent with that.

We have to ask ourselves as politicians why there is that sinking element of public trust in what we are doing here when you see this kind of hyprocrisy that we are faced with on the first day of this sitting of the House of Commons in this new decade. It makes me quite angry.

When I came here as a Member of Parliament I had very high ideals about the kind of work we were here for. I still have those ideals, but I have a growing sense of cynicism about the intent of many others in this House.

I want to close off my comments on the subject of how this bill relates to women. At its annual general meeting in May, 1988, the National Action Committee on the Status of Women endorsed a resolution to support, upon divorce or separation, the mandatory and automatic equalization of all pension credits and RRSPs between spouses for their years of cohabitation. I am going to refer to my colleagues at this end of this side of the House consistently. I think we have to do that because the liberals in their chameleon-like pose are trying to move over, if not literally, at least philosophically when it is convenient for them to do so.

The continuing feminization of poverty is something that has to be addressed. This bill does nothing. How many women do any of us know who make $86,000 a year? I challenge members to name or even to think in your consciousness how many women you know who make $86,000 a year. It would be an interesting statistic for someone to look and and see how many women do earn that. In, contrast, I can think of many women who earn $15,500, which is the amount which would be sheltered if this bill is passed. I think members could think of many who earn that much or less.

It is good for the public to know, whenever a bill comes before the House, just who benefits and who loses. It is very clear from this bill who is going to benefit. It is also very clear who is going to lose. Those people who are already over-taxed are going to have to pay in order that those in the very high income brackets can shelter their money. It is almost disgusting what this government is about with this bill. But it has a beautiful unity with everything else it has achieved since it was elected. It does have a consistency and it is something that I know that we at this end of this side of the House will be opposing with all our might in the months to come in this decade.

In conclusion, I hope that the Liberals in their chameleon-like stance will oppose this bill.

As an aside, I also want to talk about listening to the experts to whom the Liberal member from Essex—Kent referred. The experts are not those people who are going to be appearing before the committee. The experts are those people who are trying to live on $15,000 a year, the amount that would be sheltered if this bill comes into force.

I encourage that committee to bring in those people to talk to committee members so that they can really understand what real reform of the tax system is about.

Mr. Hockin: Mr. Speaker, I just want to ask my hon. friend a question. I agree with the designation of the Liberal party as a chameleon-like entity, but the hon. member's argument was somewhat ostrich-like in the sense that she was putting her head in the sand on three absolutely essential elements of any pension regime for any country.

Let me just ask her this so I can make sure that I understand her policy. Is she saying that under no circumstance should we have tax assistance for pensions in this country? That is my first question. If she is saying that, is she then denying the inflationary effects that this would cause, because as you know tax assisted pension planning is deflationary in a major sense and if you tried to do it without some tax assistance you have a major inflationary push in the country?

Third, if I understand her correctly, is she saying that all pensions should be provided through the public purse for Canadians under a certain level of income? Is that her position?

Ms. Hunter: Mr. Speaker, I am very glad to see that a member of the government is in the House and is willing to ask questions. I think that the questions which have been posed to me are somewhat mischievous in nature. I think he knows very well what I was intending to say.

Of course we believe in tax assisted pensions. But as I pointed out at the very beginning of my address, the real intent of the tax system and the pension system is to assist people in their old age. The tax system is a means of redistributing wealth.

Excuse my naivete, but I thought it was to redistribute the richer income to the lower income. I did not think it was the reverse. That is what this bill will do. Those people who cannot afford it, who do not have the kind of capital that they can shelter, who do not have the means to be able to shelter their money are the ones who are going to have to be paying to make up the gap. The sum of $15,500 will be lost to the taxpayers. Where is that going to come from? It is going to come from the lower and middle-income people in Canada.

Of course the Liberal government and Conservative government have made it very clear throughout, consistent once again—I do have to admire that they are consistent—

Mr. Milliken: More than you can say for the NDP.

Ms. Hunter: There seems to be a lot of raucous comment back here, Mr. Speaker. Obviously we are a little fractious on our first day back in the House. You will have to forgive us.

There has to be a good pension scheme. We have a universal pension scheme, thanks to the New Democratic Party and its urgings over the years, but we also now have a big problem with poverty among seniors. As I pointed out, this bill does absolutely nothing to address that. I would like to remind the minister that if we are talking about the role of government in society and what that should be, it should be to help those who can least help themselves, rather than helping those who are doing quite all right already.

• (1840)

The Acting Speaker (Mr. Paproski): Questions or comments? The hon. member for Kingston and the Islands on a question or comment.

Mr. Milliken: Mr. Speaker, I was amused to hear the hon. member's speech because I know the New Democratic Party's penchants for pensions. It is not long ago that Mr. Stanley Knowles who sits at the table in this House was on his feet daily asking about pensions. Here we have the New Democratic Party taking this new view about pensions. After all, the purpose of registered retirement savings plans is to encourage people to provide for their retirement, to provide pensions for themselves. Mr. Knowles was always in favour of increased pensions for everybody. He wanted everybody to have more money on retirement. The purpose of this bill is to ensure that people save money so that they have generous pensions at the time they retire. Here we have the New Democratic Party apparently opposed to this scheme, and it is a pension scheme. This very much surprises me.

Mr. de Jong: Are you in favour of it?

Mr. Milliken: I am trying to talk about logical consistency here, because we heard that we were inconsistent in some way. We are consistent throughout. It was the New Democrats that were inconsistent and I want to go back to that.

The other thing is the New Democratic Party spokesman who was just speaking said that the $7,500 limit apparently was satisfactory, it was the increase of the limit that was causing offence.

Ms. Hunter: I can't recall saying that.

Mr. Milliken: Well, if one is going to be logical in dealing with the pension issue, if these tax deductions are the problem, if that is the difficulty, why are we allowing these deductions at all? If it is all to be in a public pension that is to be paid out of taxes, then let us say so.

Here we have:"Well, this bill is bad because it increases these limits", and yet leaving things as they are apparently is all right. No, she did not say that. I agree, she did not say it, but it was implicit in the criticisms of the bill.

If the whole idea of RRSPs is bad, let us say so. I do not think it is a bad thing. I think it is a good thing. I am sure that the former leader of the New Democratic Party who is gone and has taken a very nice job where he earns a substantial salary is pleased at the idea of an RRSP. I am sure he would find it most attractive. He is not yet at the age where he cannot contribute and he might find it a bonanza. If the members of his party are going to be consistent they have to be ever so careful about criticizing the notion of registered retirement savings plans. I invite the hon. member, perhaps, to address the issue of what her former leader is now doing.

Ms. Hunter: My former leader is also very consistent. He is continuing his work in human rights and democracy development in the world. He is also very firm in his desire for real reform of the tax system so that his income will be taxed to the greatest extent so that he can contribute to real tax reform. I would say that does

distinguish him from other former leaders from both the Conservative and Liberal sides of the House.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Willowdale.

Mr. Jim Peterson (Willowdale): Mr. Speaker and colleagues, let us have no illusion about what this bill is about. It is a tax bill to help the rich.

This bill means if you have an income of over $86,000 a year you will be able to deduct from your income in any one year $15,500. That is a saving to you as a taxpayer of about $7,000 to $8,000, depending on the tax bracket you are in.

Now, does this bill benefit the poor? Mr. Speaker, patently it does not. A person who is earning $25,000 a year today can deduct up to 20 per cent of their income or $5,000. They do not get a big tax saving. It is not 50 per cent because they are not in a 50 per cent bracket. Under this bill their deduction would be cut back to $4,500. They would be able to contribute less on a tax-free basis or a tax deductible basis to their pension plans than they can today. That is one way in which the rich are benefiting immensely and the poor are being cut back by this particular bill.

If people such as those to my left in the NDP look on this bill as a panacea to pension reform, or if any member of this House believes that this bill is an attempt at pension reform, lest any Canadian think that this is an attempt at pension reform, this bill does not meet any of the criteria set out by Mr. Douglas Frith in a 1983 task force report on pension reform. It does nothing for portability of pensions. It contributes very little to the indexing of pensions. It does nothing about the 93 per cent of the private sector pension plans which do not have indexing provisions. It does nothing about homemakers' pensions.

We know there are many Canadians who have to stay at home either to look after a spouse, a child who is under 18, or a relative who is disabled or ill. There is nothing in this bill which allows contributions toward a pension plan for that person who has to stay home to look after these relatives or family members.

What is so anomalous in this bill is the government's attitude toward retirement income for Canada's seniors. We know that one-sixth of Canadians live below the poverty level. The first biggest group living in poverty is children and the second biggest is single senior citizens.

How do we go about encouraging Canadians to provide for their own retirement during their working productive years, if they have sufficient incomes to set aside any money for savings at all? In other words, they are above the level of the working poor. How do we encourage these Canadians through the private sector system of pensions to set aside enough money so that they can provide for their own retirement without depending on the public purse?

Let me tell you what this government is proposing with this bill. If, for four years consecutively, persons earning the $86,000 put aside the $15,500 at a 10 per cent interest rate, which is fair today, and did nothing more with that money, in 30 years they would have $1 million to retire on. If instead of doing it for four years they did it for eight years, that person would be able to retire and have the income from $1 million worth of capital in about 25 years' time. For such persons to become millionaires, it does not even require that they put away for more than four or eight years, and one can take the combinations down from there.

That is fine for the rich. What is it doing for middle and low income families? It is not helping them. It is working against them. What is also anomalous is if you do save during your working productive years, if you do have enough money to put aside for your retirement, if you scrimp and save and do not take vacations or buy luxuries, if you do not consume your income but you put it away and save, you are frugal, parsimonious or prudent, this government is saying to you the moment your income hits $50,000 this year or about $35,000 in the year 2000, it is going to take away your pension under the old age security. It is going to take away your entitlement. In other words, this government is saying: "Don't bother saving, spend it now, because if you save, we'll get it back from you".

• (1850)

This is in addition to the fact that in terms of hitting the poor, we have seen a consistency on the other side of the House. We have seen cut-backs in unemployment insurance, cut-backs in the time that a person is entitled to payment for UI, an increase in the time that they have to work in order to become eligible. We have seen them taking some $2 billion of government contributions out of unemployment insurance and imposing this burden on

the backs of the workers and of the small business employers.

We have seen a government that does not fully index its own provisions in the Income Tax Act. We know that it has not fully indexed the clawback provisions for senior citizens who are receiving the Old Age Security. The goods and services tax credit that they are proposing is not even fully indexed. As that tax applies, we all know that inflation will deteriorate year after year the position of the poorest Canadians.

They have not fully indexed the refundable child tax credit. Again, in conception, a good tax measure designed to help the families who need it most. Again, it is being eroded by inflation because this government does not have the compassion or humanity to fully index it.

Yes, let us be very clear. This program will help the rich and the almost rich to achieve self-sufficiency in retirement if they do not squander their money. As indicated, in only 25 to 30 years, a person having taken advantage of the maximum contributions, be it for four or eight years, can have $1 million in capital and live off the income. It is doing nothing for Canadians at the lower end of the totem pole, for the working poor, for those in poverty, and for those who do not have the money to put away.

When you are in a lower than 50 per cent tax bracket and you put money away for your retirement, as frugal, prudent Canadians will do, the government does not contribute 50 per cent through tax savings for the poor. It might contribute 20 per cent, 25 per cent or 30 per cent. It is only when you are in the upper class tax brackets, the rich tax brackets, that the government is contributing a full 50 per cent.

I wish, in retrospect, the government had considered in this time when we must be prudent with taxpayers' money the real needs of Canadians who are retiring. The real needs lie not so much with the rich and the well-to-do, they lie with those living in poverty. That is where their priorities should have lain, in fully indexing pensions, in making pensions available to homemakers, in providing for rollovers, so that pensions can be transferable. This is the question of portability. Even more so, addressing the retirement needs of our seniors who are living in poverty or the people tomorrow who will be our seniors living in abject poverty if this government continues.

I would like to make one more point, Mr. Speaker. This government is fond of saying that they have no money for any public purposes in Canada. This is the government that is prepared to see Lumonics sold to the Japanese and to see Connaught sold to the French government. This is the government that is cutting back on research and development, that is cutting off grants to our best doctoral and post-doctoral students in the sciences. It is cutting back money to the NRC. This is a government that has even cut back tax advantages to small Canadian corporations that might want to undertake research and development. They do not have the money, they said, to help a key company like Connaught stay Canadian. They are happy to see it go into the hands of the French government.

We have in Canada over $25 billion in registered retirement savings plans and pension contributions, all of which have been partially paid for at the expense of the taxpayers. Surely some of these funds could be put to valuable public work. Surely some of these funds could be invested in Canada's technological and economic future. Surely, because these funds are tax paid, we could insist that just a small portion of them every year, maybe 1 per cent or 2 per cent, be directed to help struggling Canadian companies, threshold firms, become world players. These are some of the things that we should be thinking of.

In conclusion, let me say that this bill does deal with the real problem of poverty in retirement. This bill helps the rich. It helps the almost rich, but it does not address the true retirement needs of Canadians.

Mr. Milliken: Mr. Speaker, the hon. member for Willowdale is well known for his erudition on matters relating to pensions and the speech we have just listened to is an excellent example of his fine presentation and clear thinking. I know he has listened patiently to some of the speeches made this afternoon, particularly by members of the New Democratic Party who seem to get very confused on the issue. Has the member done any studies on the various attitudes of the New Democratic Party toward this kind of bill?

Mr. Peterson: The member for Kingston and the Islands touches a sore spot. I have undertaken hours and hours of diligent research in the libraries, in dusty tomes,, I have sought for their rationale, I have sought for their wisdom and 'ere I searched all day, it was as if I had searched all day for two grains of wheat hidden in two barrels of chaff, and 'ere I found them, it was not worth the search.

Mr. Gauthier: I would like to join with my colleagues in the House in congratulating my friend from Toronto for making this very great contribution to this debate. I just want to follow up on the question put by the member from Kingston.

I was here and I heard the great presentations put forth by our socialist friends concerning RRSPs. I am just wondering if, in his search for the truth, the member from Toronto has found out if members of the New Democratic Party have given up on RRSPs and that they are all going to cash them in and turn them over to the charities of their choice so that we are sure that indeed their principles are that they will not save any money for their retirement.

The Acting Speaker (Mr. Paproski): On that note, we will call it seven o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my purpose for being on the late show today comes out of a question I had asked in the House on November 24.

The question was directed to the President of the Treasury Board who happened not to be in the House that day. It was answered by the Minister of Finance who assured me that some time during the following week the President of the Treasury Board would get back to me with an answer to my question.

The substance of my question was: When would the government, particularly the Treasury Board and the good offices of the President of the Treasury Board, be used to bring fairness to the ongoing negotiations with respect to hospital services people, members of the Public Service Alliance of Canada and civil servants of the Government of Canada on the question of parity between workers on the east coast and those on the west coast as it affected ships' crews so that on both sides of this great country of ours they would be able to get the same wages for doing the same work? I asked whether or not the Treasury Board would use its offices to expedite the proceedings, get on with the bargaining, get the striking ships' crews back to work and try to make sure that the hospital services people were negotiated with fairly as well.

The President of the Treasury Board did not get back to me the next week and he did not respond in any way to the employees either. I guess the answer that came back was: "No, he was not willing to use his offices to try to prevent any further strife within the Public Service and to alleviate the problems which had arisen with respect to the hospital services workers". The hospital services workers went on strike, and I would suggest they were probably forced to strike because of the inactivity of the Treasury Board and the President of the Treasury Board in exercising his responsibility.

I would like to point out that prior to November 24 and my questions in the House I had written a letter to the President of the Treasury Board with copies to the Minister of Labour, the Minister of Employment and Immigration and the Minister of National Defence because these different departments were involved. In that letter I pointed out that I had four major concerns. The first one was that of designation. What we were dealing with in this case were employees of the Public Service of Canada, members of the Public Service Alliance of Canada, union members who from the time they were able to belong to unions had been prevented from going on strike on the basis that the government—not just the Progressive Conservative government but its predecessor Liberal government as well—had designated them as essential services.

That may strike some people as being not all that bad, but when one considers that in the case of these two groups of people as many as 110 per cent of their total numbers were designated as essential, one gets some kind of an idea of the lengths to which the government was willing to go to treat these people badly.

In this letter I also asked the minister to use his services to expedite the bargaining situation and to get on with it. The striking ships' crews were providing emergency services, yet the government was trying to intimate that these people were behaving in a irresponsible manner. I would like to point out that the hospital services workers, subsequently having offered to provide services during the strike, were turned down. This brought great distress particularly to people in veterans' homes.

• (1905)

I would like to point out that even though the government did not avail itself of the offer, those people who later went on strike went to the different hospitals in the communities to succour veterans and inhabitants of these homes in order that the distress which they experienced because the government had moved them out of their homes was not too severe. This was much appreciated by the families of the veterans involved, I would point out.

I certainly did not receive any answer from the minister, and I still have not received an answer. I asked for many other things as well with respect to that whole bargaining. We have received very, very few answers other than the back to work legislation brought in by closure.

I see my time has expired.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it gives me great pleasure to put my hon. friend out of his misery.

The government has been engaged in collective bargaining for the ships' crews group for approximately two years. From January 1988 until March of 1989 many bargaining sessions were held both directly with the union bargaining team and with the assistance of mediators appointed to assist the parties.

In March 1989 the ships' crews group as well as 26 others reached agreement with the employer. These settlements were reached voluntarily and were submitted to the union membership for the ratification. Unfortunately, despite the fact that the union bargaining team voluntarily accepted the settlement, the ships' crews membership did not. Since the spring of 1989 the parties have met on many occasions in an attempt to reach a settlement on the outstanding issues, but all to no avail.

In October and November of 1989 the ships' crews group was engaged in conciliation efforts with an independently appointed conciliation board. This conciliation board could not bring about an agreement between the parties and in fact made no recommendations for a settlement because the parties were so far apart.

In addition to the aforementioned efforts further mediation attempts were made in December, 1989. The Treasury Board, for example, offered a comprehensive settlement position but the union bargaining team rejected this offer and continued to demand a settlement that would be far too high for any reasonable and responsible employer to accept.

It is important to note that the employer's settlement position in December rejected by the union included parity of wages for eastern and western based ships' crews effective the date of signing of a new collective agreement. This delivered on a commitment made in the House by the President of the Treasury Board to provide wage parity for this group of employees. In addition, this commitment of the employer has been confirmed in writing to the chairman of the Public Service Staff Relations Board for use in the forthcoming conciliation board process.

Despite the employer's undertaking to achieve wage parity, the union continued to insist on substantially greater monetary improvement. This is precisely why Bill C–49 was required. It put into place a fair and equitable process for resolving the outstanding issues. The parties will have an opportunity to present their respective positions to an independent conciliation board that will have the authority to render a binding decision to resolve the outstanding issues should that become necessary.

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, when I first raised this question and then gave notice that I was not satisfied with the answer, I had no idea that the Prime Minister this very day in this House would help me demonstrate just how dissatisfied I was and why I am so dissatisfied.

People around this country by now have seen that answer from the Prime Minister. There is, he says, no crisis. He says that the people in Atlantic Canada ought to be grateful. Grateful? Grateful for what from this particular government? For shutting down communities? For gutting UI? For gutting job creation? For allowing

overfishing to go on five years without a peep from this Prime Minister, and five years later he can stand there and say there is no crisis?

I hear the neat little distinction he makes. There is a crisis in the fishery but there is not a crisis in Atlantic Canada. Where does he think the fishery is? Who does he think shipped 80 per cent of our groundfish, caught it and shipped it before he wiped it out by letting the foreigners walk all over us?

• (1910)

Of course any crisis in the fishery is a crisis in Atlantic Canada. The problem is that he is not here. I understand that. He is a busy man.

The Minister for International Trade should be here responding to this issue. Where is the gentleman from St. John's West? The member for Winnipeg South is going to respond to this fishing issue, this overfishing issue? What an insult to the people of Atlantic Canada.

Where is the parliamentary secretary for fisheries? Where is the minister of fisheries? Where is the Minister for International Trade and all the other people who have the solutions to this terrible problem? Are none of them here to tell us what the Prime Minister means when he says there is no crisis?

I will give the member for Winnipeg South some idea of the dimensions of this particular tragedy.

In one area of the zone that is controlled and monitored by the Northwest Atlantic Fisheries Organization, NAFO, that organization recommended no fish be taken this year. Yet, the Spanish and the Portuguese, realizing just how cowardly and how spineless this government has been so far in dealing with foreign overfishing, have continued their pillage of fish stocks even when they were told that no fish should be taken. Do you realize that according to DFO figures last year that in 1989 there was a quota of 13,000 tonnes of cod set for them and they took 63,000 tonnes? They took almost five times what they were supposed to take.

Why is it that everybody except the Prime Minister knows there is a crisis? I will tell them why. It is because they are living through it: they in Gaultois, who are under threat of losing their homes, communities and their loved ones, not to mention their jobs and their livelihood; they in Grand Bank; they on Shea Heights near St. John's; they in Trepassey; they in Canso, Nova Scotia; they in Lockeport, Nova Scotia. They know there is a crisis and all the bafflegab and words from the Prime Minister today and all the fine written speeches like the one which I am sure we will hear in a minute, when I sit down, will not put groceries on tables in Gaultois, Grand Bank, Shea Heights and Trepassey.

Two of those areas are in the jurisdiction of the Minister for International Trade, the member for St. John's West. Why does he not convince his people that there is a crisis? I say to him that it is not for the lack of trying. I understand, John, you have done the best you can, but that is the real tragedy: nobody is listening to the junior minister for trade, nobody is listening to the member for St. John's West. Perhaps that is why they are not here. Perhaps they have given up altogether. That is the word back in Newfoundland and that might be the honourable thing for the gentleman for St. John's West to do.

More to the point, this is an unfolding national tragedy. This is a disgrace of international proportions that we should stand idly by as a Canadian government and allow the Spanish and the Portuguese, aided and abetted by the French, to wipe out entire stocks of groundfish and other species. They will not be there for future generations. They will not be there to be caught by the Spanish or by the Portuguese or by anybody. They will be gone. Why? Because this government, through its silence and lack of action, has stood idly by and aided and abetted that raping of our fish stocks, wiping out jobs in plants and wiping out jobs in boats.

I appeal to the government not to respond with another pre-scripted few words but to say to Atlantic fishermen and plant workers: "We hear your plea at last. There is a crisis and we are going to rise to it". If the government will say that and do that, I will be the first to rise and applaud government members.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would just say to the hon. member opposite that the parliamentary secretary for fisheries has asked me to respond to this question because the

parliamentary secretary was tragically forced to return home to his riding this evening to attend a funeral.

• (1915)

The Minister of Fisheries and Oceans informs me that he has not yet received the final report from the independent review panel created to assess the new scientific information on the northern cod stock. The interim report was received mid-May.

Early in 1989 there were serious changes in our view of the northern cod resource. New scientific data and more sophisticated assessment techniques led the Canadian scientists to believe that the total cod resource available was significantly smaller than previously thought. Although we still believe that the stock increased in weight between 1976 and 1986 it tripled rather than increased five-fold as had been estimated by the Canadian Atlantic Fisheries Scientific Advisory Committee in 1987. This is also a slower increase than estimated by the task force group on the Newfoundland inshore fishery in 1987.

In response to this unexpected information the Minister of Fisheries and Oceans revised immediately the 1989 total allowable catch down from 235,000 tonnes as a precautionary measure from the preliminary figure of 266,000 tonnes. This level ensured for 1989 the conservation of stock at its recent level.

The conclusions of our scientists and of Dr. Harris' panel will have a significant impact on management measures in the future. Northern cod is vitally important to the livelihood and future of thousands of fishermen and plant workers and to the viability of the Atlantic groundfish industry in general. It is for that reason that a comprehensive examination of all possible facts which may affect the state of the northern cod resource is very important at this stage. We cannot afford leaving any stone unturned at such a crucial time.

The independent review panel which is chaired by Dr. Harris from Memorial University of Newfoundland was instructed to conduct a comprehensive examination of all possible factors which may affect the state of the northern cod resource, of the data used in establishing scientific advice and of the methods used to determine this advice. The panel was given a broad mandate to ensure that reliable scientific advice will be available to manage the fishery in 1990 and beyond.

As members will be aware, the interim report of the panel was delivered on May 15, 1989 and confirmed the lower size of the stock. During the summer the panel received submissions from the public and held public hearings. This public debate was an important element of the review and the panel is now finalizing its report. The final report from the panel will be made public after a review by the minister and appropriate consultation. Also, as is normally the case, consultation with the fishing industry will take place at a special meeting of the Atlantic Groundfish Advisory Committee and a meeting of the Atlantic Council of Provincial Fisheries Ministries.

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I am sure that frustration was felt by the Liberal member who spoke about there being no Atlantic representative here for the government to answer. I appreciate having heard on northern cod but my colleague from Newfoundland spoke on foreign overfishing.

I am speaking on an area that I think has to be answered. I asked in October what kind of help there was going to be for the communities of Lockeport, Digby, Argyle and the many thousands of people who are out of work since last June. The minister at that time has no response.

He says there will be assistance coming and it has not come. There is no direct assistance that I have seen come into Nova Scotia in the form of helping the community. It is not financial assistance that people want. They want to fish in Nova Scotia. Those coastal communities want a living. It is not like the Prime Minister said here in the House today, that the future in Atlantic Canada is bright. Perhaps the future in Atlantic Canada is bright, but I have lived by the sea all my life, and fish are a natural resource that this government will deal with to come forward with a plan of action that will secure the prosperity of the Atlantic coast.

There are three areas where this government fails. One is a management plan.

• (1920)

In my supplementary question to the minister in October, I said please transfer from the offshore some of the species that they will not use in those coastal communities near Lockeport, Digby, and Argyle, all are 4BWX and 5. He said no at that time. Yet his own official

in reporting on December 20, 1989, to the fisheries committee said he did not like to see fish left in the water.

There was 5,000 metric tons: 1,000 metric tons of haddock, 3,000 metric tons of pollack, and the rest in cod that was left in the water by the offshore as of the middle of December. Yet this government would not allocate in September, October, November or December to the inshore communities that were so dependent on that fish. That is one area.

The management plan incorporated in 1990 the same errors that were there. The second thing that management plan does is allow a boat allocation. That does not make any sense. Most fishermen who have not fished for six months are only going to go after their 20,000 pounds per trip or 10,000 per trip for the best of the fish. They will have to do that in order to survive the year that the management plan proposes again for this year. That deals with the management plant.

The second area the government is not able to deal with is marketing. We have nothing from this government except its allocation of 100,000 metric tonnes of underutilized species for development purposes. Since 1985 there has been a decrease in any marketing ability for the Department of Fisheries, except as it relates to providing intelligence for shaping the minister's policy.

There is no new incentive for helping the firms that do not have the resources to conduct market studies in the underutilized species. In fact, with the free trade agreement we cannot even do that or we might offend the U.S. For our natural resource that is in trouble, we have no backbone as it stands in a market development strategy for fish in Canada. One only need to look at the lobster fishery. We have to watch what is happening with no assistance directly related to marketing for fear of offending the Americans down there.

I have looked at what the Americans are doing. They are talking about our fish as if we do not have any health inspection or any other inspection. They have ads that say: "You would not want to eat this fish". Our government is not doing a thing to counteract billions of dollars in an industry that we have in existence.

We in the opposition see no one over there taking the initiative to go ahead and countervail that. I am saying to you, Mr. Speaker, that this government has got to look at who is presently fishing underutilized species. It is a European market that is using that. Well, why can we not develop that market? Why do we have to see foreigners here as an irritant to us when we have the capacity offshore.

We have the capacity onshore to go out and fish and process the underutilized fish. If there was any incentive as has been in the past to develop markets in this area, you would not have the present situation in communities like Lockeport. You would not have us begging the Russians who are within our 200 mile limit to land their cod, their haddock and their pollack to our plant. We would be fishing those underutilized species as the Russians are here fishing. Sure, we have to develop markets. Yes, we may offend Americans.

I just want to say that I have seen the hardest of hardships as as result. I cannot stand to see a Prime Minister of this country take a natural resource like fish, a renewable resource like fish, and say to the people in the east that we have nothing to look at except the bright side of what else there is on the east coast. There are whole sections in Atlantic Canada that are hurting, that are not able to sustain the direction of this government's policy. Yes, I say to the farmers out west, you may have $1 billion of financial aid to help you but I do hope that at the end of your drought that it won't be the big companies that will provide the direction to this government as we are beginning to see happening in the east at the sake of all those coastal communities and those fishermen.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to answer the hon. member's question. As the hon. member is well aware, this government is very concerned about the people in Atlantic Canada. The Prime Minister is very concerned about the people in Atlantic Canada and their well-being.

To this end the Prime Minister created a special committee of cabinet to address exclusively the problems particular to Atlantic fisheries. The committee has in turn convened two task forces, one for northern cod and the other Scotia-Fundy groundfish, to take stock of the

resource situation and the impact of diminished supply on the people who make their livelihood from it.

The scope of their investigations is broad enough to address alternatives within the fisheries and the regional socio-economic settings in which they take place. The task forces will be reporting their findings in due course and any subsequent measures this government may implement will take their advice into consideration.

Of course we are concerned about the impact of reduced groundfish availability on fish plant workers in the Scotia-Fundy region. This comprises a major part of the work of that the task forces are undertaking. It is also why we are encouraged by the way the larger companies have cushioned the impact of this situation by spreading the work around several plants in the region.

Private sector firms are showing that they understand their responsibilities and that the responsibilities are fundamental to the operation of the free enterprise system. As a consequence, the number of outright plant closures for the remainder of the season in 1989 in the Scotia-Fundy region has been kept to a minimum. Plant closures in other communities have been, by and large, intermittent, temporary, and very much in keeping with the pattern of seasonal activity typical of the Scotia-Fundy groundfish fishery. Most workers will qualify for unemployment insurance to supplement their earnings as they usually do in a normal year.

National Sea Products closed its Lockeport plant for a number of reasons. In addition to the publicly stated concerns that the corporation has made about the impact of inadequate groundfish supplies on its business, the company has been taking measures to improve its overall operating efficiency. A reduction in the company's quota is only one explanatory factor. The closure was a business decision which the government cannot second-guess.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.28 p.m.

HOUSE OF COMMONS

Tuesday, January 23, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to 16 petitions.

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

PROPOSED GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise today, at the beginning of this continuing session, to present petitions again dealing with the GST, the goods and services tax, which is rejected by most Canadians.

• (1110)

These petitioners would like to tell the House of Commons how strongly they feel about this imposition of an additional tax on goods and services. This tax will be hidden from Canadians and it will be applied to virtually everything they buy.

They say that the imposition of this new goods and services tax will cause serious and unfair hardship to low and middle income Canadians, that the imposition of the tax will create an onerous burden on small business. This is an unprecedented tax grab from the pockets of Canadians that will hit them not only with higher taxes but with higher inflation, higher interest and higher unemployment.

The petitioners humbly pray and call upon Parliament to reject this proposed goods and services tax at 7 per cent or at any percentage.

BILL C-21

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have the honour and privilege to rise, pursuant to Standing Order 36, to present a petition signed by 70 people in the towns of Bonavista, Elliston, Melrose, Middle Catalina, Catalina and Port Union.

These people are very concerned about Bill C-21. Specifically in their case it is taking $1.3 billion from the unemployment insurance business and taking it away from job development strategy programs which in fact provide infrastructure for the communities. As well there is the $2.9 billion the government is taking out. It really is getting out of the unemployment insurance business altogether.

They are concerned about the weeks that they will have for benefits. They are concerned about what is estimated to be the $112 million that will be taken out next year if this bill goes through.

The petitioners humbly pray that Bill C-21 will be withdrawn.

PROPOSED GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36, I would also like to present a number of petitions today concerning the proposed goods and services tax, which should appropriately be called the grief and suffering tax.

This petition is signed by a number of citizens of the great community of Windsor, so ably represented in the House of Commons by my distinguished colleague, the hon. member for Windsor West.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too have a petition to present under Standing Order 36 on the goods and services tax, signed by a number of people in the country.

What they are saying is that we have an unfair tax system. We should have a fair tax system based on the ability to pay, where wealthy people pay their fair share and where corporations pay their fair share, not where ordinary citizens of this country pick up the entire burden.

I am very pleased to table, under the provisions of Standing Order 36 and on behalf of these people, the petition in opposition to the goods and services tax.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also rise under Standing Order 36 to present a petition that has been brought to me by small business people in my community.

They are very upset about the goods and services tax. They say that it forces small business to carry a disproportionate share of the tax burden in Canada. They also say that its implementation will be a nightmare for small business in Canada and that the offsetting is not adequate to support them in their businesses when they must change their computer programs and their cash registers. They say that this tax does not address the concerns of small business in this country.

The petitioners call upon this government to reject the goods and services tax and to consult with labour and consumer groups to reach a broad consensus on tax reform.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a pile of petitions from people from Blue River, Birch Island, Vavenby, Vola, Clearwater, Blackpool, Little Fort, Barrièr, McClure, Hempley Creek and many other centres in the North Thompson Valley.

They point out their concern with the government's decision to pursue the 7 per cent goods and services tax. They basically cannot believe it and point out a whole list of reasons for it adversely affecting the residents of the North Thompson Valley.

The petitioners ask the government to come to its senses, to back away from this tax, to return to the drawing board and come up with real, comprehensive tax reform.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): I have a petition, Mr. Speaker, again on behalf of a number of people from the Kamloops region who point out that they are interested in the government maintaining a national rail network for passenger service.

They are asking the government to consider investing in new equipment as has been done in other western industrialized nations in terms of rail passenger service and to consider introducing a VIA Rail bill that would give the government an opportunity to see proper passenger rail service introduced in Canada and not close that southern route across the country.

[*Translation*]

OPPOSITION TO PROPOSED GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, pursuant to Standing Order 36, the following petition is presented to the House by hundreds of residents from the communities of Tracadie, Sheila, Pont-Lafrance, Petite-Rivière-de-l'île, Sainte-Cécile and Rogersville, and your petitioners are very much concerned about the fact that the federal Conservative Government is going to impose on Canadians a new, universal 7 per cent tax on goods and services. They are well aware of the disastrous impact a tax like this will have on the economy of northern New Brunswick, and they ask Parliament to reject the new goods and services tax which has been massively rejected by Canadians across this country.

[*English*]

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise under Standing Order 36 to present a petition regarding the proposed goods and services tax. It is signed by concerned Canadians who strongly oppose this tax. They feel that it will cause serious and unfair hardship on low and middle income Canadians and that it will cause higher taxes, higher inflation, higher interest rates and higher unemployment.

The petitioners humbly pray and call upon Parliament to reject this proposed goods and services tax.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a pleasure for me to rise today under Standing Order 36 to present a petition from quite a number of constituents from Paris, Dunnville, Waterford, Woodstock and Brantford.

They are opposed to the goods and services tax and recognize that the government is now trying to tax reading materials, haircuts, diapers, coffins and home heating fuels.

They humbly pray that the government reject the current proposal for a goods and services tax and that taxation be reformed so that there is an effective minimum tax on wealthy individuals and corporations.

VIA RAIL

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I have another petition signed by a number of constituents from Winnipeg, Dryden, and Saskatoon, to name a few, who are opposed to the VIA Rail cuts that are taking place.

They are asking the Parliament of Canada to maintain and to upgrade VIA Rail's present national network, not take away from something we already have.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour today to present two petitions to the House, both certified under Standing Order 36.

The first one is regarding VIA Rail. Petitioners from all across the country call upon Parliament to upgrade VIA Rail with new equipment, to introduce a passenger train bill giving VIA Rail a firm legislative mandate and to develop a revised costing arrangement with the railroad companies whose track VIA uses.

I think we all know how much Canadian National and Canadian Pacific have ripped off VIA Rail.

NORTHERN BENEFITS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, the second petition ties in with the debate in this House now for a fairer tax system across the country, not the grief and suffering tax being introduced by the Conservative government.

This is in the regard to the report of the task force on tax benefits for northern and isolated areas released on Friday, October 27.

• (1120)

These petitioners primarily from Crescent Spur and the Prince George area call on Parliament to reject the recommendations of the report and to develop a fair and equitable tax benefit program which recognizes the financial needs of the people in northern and isolated areas.

We trust the Minister of Finance will hear their words.

EL SALVADOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise to present petitions under Standing Order 36. The first petition relates to the situation in El Salvador and calls on Canada to utilize its membership in the Organization of American States to pursue independent diplomatic policy leading to the full protection of human rights and a peaceful resolution to the conflict in El Salvador.

It is signed by many hundreds of my constituents.

VIA RAIL

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the second petition I am presenting under Standing Order 36 relates to the cut-backs to VIA and the joining of efforts of the Transport 2000 and Rural Dignity in order to obtain justice and satisfaction to the reinstatement and enhancement of passenger rail service in Canada.

PROPOSED GOODS AND SERVICES TAX

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the third petition relates to the goods and services tax. There is, as you are well aware, broad rejection across this country to this kind of tax reform. These petitioners come from Manitoba and from Ontario.

The final petition is also against the goods and services tax. It relates to the petitioners' awareness that the tax burden is being shifted to ordinary Canadians and is not any semblance of real tax reform.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I too rise under Standing Order 36 to present four petitions today from people from Ontario, central British Columbia and Saskatchewan who are like minded in their opposition to the goods and services tax. They express in their petition that a tax on goods and services is a regressive tax which hits low and middle income earners the hardest and that Canadians are already overtaxed.

This further tax burden could and would adversely affect the economy. They call upon this House not to pass the goods and services tax and, based on broad public consensus, to replace our current sales tax proposals and our manufacturers' sales tax with the kind of tax

that would be progressive and would be in the interests of all Canadians, not just those Canadians who have a high income.

They view this as a massive tax grab and I am privileged to table these petitions on their behalf.

SOCIAL PROGRAMS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present petitions today on a number of subjects.

I have a petition signed by many senior citizens from my constituency of Burnaby—Kingsway who express serious concern about the clawback on old age security benefits to pensioners. They suggest that the taxing back of old age security is a direct threat to the principle of universality which is at the core of the Canadian social system.

They urge that Parliament reject the government's policy to initiate an inequitable and unjust clawback of old age security benefits.

POVERTY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a petition which has been signed once again by residents of Burnaby and Vancouver which points out that one-sixth of all Canadian children live in poverty. The number of children living in poverty in some provinces is as high as 26 per cent. It is particularly high in the Atlantic provinces where there is a crisis, whether or not the Prime Minister recognizes it.

These petitioners call upon Parliament to support private member's motion No. 254 initiated by my very distinguished colleague from Mission—Coquitlam.

They call upon the government to negotiate with the provinces to provide a comprehensive bill of rights for children.

VIA RAIL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have petitions signed by hundreds of residents from across Canada including my own constituency. They are signed by many artists and actors from the Shaw Festival in Niagara-on-the-Lake who point out that railway passenger services carried on by VIA Rail is essential for many Canadians and has been a part of Canada for more than 100 years.

They express concern about the cuts in VIA Rail service and they call upon Parliament to maintain the existing VIA network, upgrade VIA equipment and guarantee VIA sufficient support to carry out its mandate to provide passenger rail service across this land.

PROPOSED GOODS AND SERVICES TAX

Mr. Svend J. Robinson (Burnaby—Kingsway): Finally, Mr. Speaker, along with many other members of this House, I am sure from all sides, I wish to table petitions that have been signed once again by hundreds of Canadians, including particularly constituents from Burnaby—Kingsway, as well as seniors from the Bonsor Senior Centre, and members of the Construction and General Workers Union, Local 602.

These individuals express concern about the proposed goods and services tax. They point out that it is an unfair form of taxation because of its lack of regard for the taxpayers' ability to pay.

They call upon Parliament to reject the current proposal for a goods and services tax and to bring in meaningful tax reforms so that there is in fact an effective minimum tax on wealthy individuals and corporations. They urge the government to reject this massive tax grab.

SOCIAL PROGRAMS

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I too have a petition to present under Standing Order 36 signed by 136 residents of Nanaimo and the neighbouring community.

Petitioners argue that the enforced pay back of old age security benefits by pensioners with incomes over $50,000 taints the legitimacy of social security benefits as income. Moreover, it is a threat to the principle of universality, which is the core of the Canadian social system.

The petitioners humbly pray and ask Parliament to reject the government policy to initiate this inequitable and unjust clawback of old age pension security benefits.

[*Translation*]

TAX BENEFITS FOR NORTHERN AREAS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, today I wish to present a petition that rejects the recommendations made by the Task Force on Tax Benefits for Isolated and Northern Areas. Your petitioners, who represent the isolated community of Lebel-sur-Quévillon in Abitibi, are concerned about the

report's recommendations which will cause a number of workers to be laid off. They believe that the Government of Canada refuses to make adjustments to reflect the fact that life in the North is hard, isolated and expensive.

Mr. Speaker, according to the disparity index for the 84 isolated communities designated by the Government of Quebec in October 1989, Lebel-sur-Quévillon ranks seventieth.

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I have the honour to present today, pursuant to Standing Order 36, a petition which has been certified by the clerk. It is from residents of Calgary Northeast who are opposed to the goods and services tax. Those residents feel that even reducing the taxation to 7 per cent is not acceptable. It is a discriminatory tax, hurting the consumer as well as hurting our trade ability with other countries.

I have a total of 11,000 signature and here are 1,011 more.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have much pleasure in presenting a petition which calls upon Parliament to reject the goods and services tax. These people, in this case from the great province of New Brunswick, are like Canadians all over this country, including those from Alberta we just heard from and others we have heard from this morning and for the last many months.

They are saying one and the same thing: "Government, go back to the drawing board. We believe in tax reform, but we believe it ought to be in a form that does not sock it to poorer people".

That is what the goods and services tax is doing, and they are appealing to the good sense of the government back-benchers to reject this particular tax.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 149, 180, 190 and 195.

[*Text*]

PENSION REFORM—COSTS OF ADMINISTRATION

Question No. 149—**Mr. Whittaker:**

Has the government any projections of the costs (both personnel and equipment) of administering the changes to the pension adjustment (PA), past service pension adjustment (PSPA) and pension adjustment reversal (PAR) reporting contained in the draft amendments to the *Income Tax Act* and, if so, what are they?

Hon. Otto John Jelinek (Minister of National Revenue): Pension Reform will be implemented in stages over a two-year period, provided Parliament approves the handling of PA, PAR and PSPA reporting. The estimated costs for personnel, capital acquisition and operating expenses based on the premise that all facets of Pension Reform become operational by January 1, 1990 are as follows:

	1990/91
(a) Person Year Costs	151
(b) Capital Costs ($000's)	4,814
(c) Operating Costs ($000's)	7,857

STUDIES DONE BY THE DEPARTMENT OF FINANCE REGARDING VIA RAIL

Question No. 180—**Mr. Benjamin:**

Is the government aware of the studies done by the Department of Finance regarding VIA Rail and referred to by the Minister of Transport during Question Period on June 6, 1989 and, if so (a) what are their titles (b) what was their purpose (c) what conclusions did they reach (d) what methodology did they use?

Hon. Michael Wilson (Minister of Finance): The studies referred to by the Honourable Benoît Bouchard, Minister of Transport, on June 6, 1989 are those that were conducted as part of the Budget preparation exercise. Both the studies and methodologies were tabled and released publicly during the last week of April as part of the Budget documents.

They include a five-year fiscal plan and a detailed fiscal strategy for bringing the public debt under control and raising the living standards of Canadians.

The conclusion reached in regard to VIA Rail was that VIA should be expected to adopt a more commercial approach and to operate in a more cost effective manner. VIA was asked to bring forward a business plan which would achieve the objectives set by the government and respect reference levels.

PUBLICATIONS DISTRIBUTED AT ANNUAL CONFERENCE OF FIRST MINISTERS

Question No. 190—**Mr. Milliken:**

In respect of the publication entitled (a) *From Backyards to Borders:federal environmental action in Canada's communities* (b) *A Decade of Achievement: Environment and Energy Research and Development* (c) *Toward a Common Future, A Report on Sustainable Development and its Implications for Canada*, distributed at the Annual Conference of First Ministers (i) what number were produced in each official language (ii) what were the printing costs of each issue (iii) what were the other costs of production (including any fees paid to writers or photographers) for each issue?

Hon. Lucien Bouchard (Minister of the Environment): (a) From Backyards to Borders

(i) 25,506 English; 10,261 French

(ii) $40,633.14

(iii) $20,270

(b) A Decade of Achievement: Environment and Energy Research & Development

(i) 10,000 bilingual

(ii) $42,417.92

(iii) $40,071.96

(c) Toward a Common Future: A Report on Sustainable Development and its Implications for Canada

(i) 4,830 English; 3,519

(ii) $22,399.63

(iii) $38,665.16

NCC TENANT NAMES AND RENTS CHARGED

Question No. 195—**Mrs. Gaffney:**

1. Are there tenants leasing public buildings within the National Capital Commission's purview and, if so, what are their names?

2. Are rents charged on public buildings or other space within the National Capital Commission's purview and, if so, in what amounts?

Hon. Elmer MacIntosh MacKay (Minister of Public Works): The Commission's total tenant list, and all rents charged, are not releasable to the public* due to the following:

The names and addresses of residential tenants, and rents paid by these tenants, fall under the definition of personal information under the Privacy Act. This matter has been referred to the Federal Court.

The Commission is of the opinion that disclosure of rents paid by commercial tenants could prejudice the tenants' competitive position and the Commission's negotiating ability. The Information Commissioner's recommendations on this matter are currently under review by the Commission.

The Member may wish to exercise her rights under the Access to Information Act.

*The Access to Information Act does not differentiate between Members of Parliament and the "general public".

[*English*]

Mr. Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if Questions Nos. 177 and 179 could be made Orders for Return, those returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 177 and 179 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

FISHERIES

Question No. 177—**Mr. Young (Gloucester):**

Is the government aware of the difficulties in the fishing industry in Northeast New Brunswick and, if so (a) what will be implemented before next spring (b) what is being considered for that region in terms of (i) emergency employment programs for fishermen and fish plant workers (ii) the development and marketing of new and value-added products and under-utilized species (iii) economic development plans from the Atlantic Canada Opportunities Agency which include non-seasonal work (iv) new markets for fish products?

Return tabled.

MULTICULTURALISM GRANTS

Question No. 179—**Ms. Mitchell:**

With respect to grants given out by the Department of Multiculturalism and Citizenship in 1989 (a) what is the (i) maximum (ii) minimum (iii) average length of time it takes to process funding applications (b) how does this compare with other departments (c) what (i) number (ii) percentage of the applications are given approval for funding (d) what is the (i) name of the recipient (ii) purpose (iii) amount of each grant?

Return tabled.

[*English*]

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

Mr. Boudria: Mr. Speaker, I rise on a point of order concerning the Order Paper Questions. This is an issue that has been brought to the attention of Mr. Speaker before, but unfortunately I must bring it to the attention of the Speaker today.

• (1130)

I have a question on the Order Paper that dates back to October 30. I recognize that it is a rather lengthy question. Nevertheless, the 45 days permitted under the rules, because this is a 45-day type question pursuant to the Standing Order, have now extended to close to 90 days; in other words, double the length of time. I look for some guidance from the Speaker and the parliamentary secretary to getting a commitment for an answer from the government.

I also bring the following to your attention. Question No. 182 dated November 9 also standing in my name is a relatively short, concise and I think simple question to answer. I think even the government would recognize that it is a very uncomplicated type of question. It has been on the Order Paper since that time.

One of the side effects of this—I draw this to your attention—is the fact that Standing Order 39(4) says that no member shall have more than four questions on the Order Paper at any one time. Because of the fact that we cannot get responses to these questions, I am prevented by the rules of the House from asking new questions. In other words, I cannot place questions on the Order Paper because my spaces are all taken up. They are taken up because the government is not answering the questions that I placed already and which have been there for some time.

The Clerk of the Journals Branch could easily inform you, Mr. Speaker, that I have a backlog of questions resting on his desk right now. I am waiting for these questions to be answered in order to be able to pose those new questions which I believe to be of public interest and, in any case, which are my right to ask as a Member of Parliament.

Again, I hope that you would look into the matter, Mr. Speaker. I am looking for your guidance as well as the co-operation of the parliamentary secretary so that we can get answers to these questions and any others that have been on the Order Paper, clearly marked under the 45-day provision, and which have been there for a considerable period of time.

Mr. Speaker: I am going to call upon the parliamentary secretary because I am sure hon. members would not suspect for one moment that he had dreamed up this elaborate plan to keep the hon. member from putting questions on the Order Paper.

Mr. Cooper: Mr. Speaker, I want to assure the House that I did not do any such thing. I certainly would not want to in any way impinge on the member's rights and in fact responsibilities and obligations to ask questions.

I do, however, want to say that we have had so far 145 priority questions asked and we have been successful in answering 82.8 per cent of those. Those are the priority questions. With the regular questions, we are presently sitting at 88.7 per cent. We certainly are doing our best to make sure that we answer those as close to the deadlines as we can and, if possible, to exceed them.

In the particular question that my friend refers to, I was not able to lay my hand on that question. If I am not mistaken, it is a very serious question that the member has asked regarding one of the trips that the Prime Minister took. What the member would like to know, among other things, is how many pieces of luggage each member who went on that trip took.

In all fairness, it does take us a fair amount of time to track down individual people to ask them how many pieces of luggage they took, what they took and whether they put it on the plane or whether they carried it on board with them. If the hon. member thinks that is a serious and important question, then I am sorry, but he is

just going to have to wait for us to take the time to dig out the information that he requests.

Mr. Boudria: Mr. Speaker, as a matter of fact, that was not the question that I was referring to. I was referring to Question No. 182. I referred to Question No. 162 as well. It is the one that is 90 days. Question No. 182 has been there for more than 45 days.

I have just noticed that another question standing in my name has been there since December 6. This one is merely to ask the names of the notaries working for the Federal Business Development Bank. That list should be available in something like 15 minutes. The question has been on the Order Paper in excess of 45 days.

The government has now confessed that one out of every five priority questions is not answered in accordance with the rules. They are deficient close to 20 per cent of the time by the government's own admission. In my case, all of the questions that are on the Order Paper in my name except one have exceeded the 45 days and none of them have been answered yet.

Mr. Cooper: First, I want to correct a couple of things. I did not say that 82.8 per cent of the questions were filed on time or responded to on time. I said that 82.8 per cent of those questions have been responded to. There are at the moment a few late and I am quite prepared to concede that. We are on top of those on a regular basis.

If the hon. member is referring to question No. 197, he did not simply ask for the names of the lawyers and the notaries for FBDB, he wanted to know all the fees paid to them and that does take time.

In all fairness, we on this side our best to answer these questions on time. I personally try to make sure that they are answered on time, but when members continue to ask questions that require very detailed responses, that require checking and verifying with a number of individuals and offices, it becomes practically impossible for us to meet the 45 day deadline. We will continue at every occasion to do our best.

Mr. Milliken: Mr. Speaker, I appreciate the difficulty faced by the parliamentary secretary. I know he has trouble sometimes with the questions asked of him, but he has some statistics. He told us what percentage of questions he had answered. I wonder if he could also tell us the number of 45 day questions that were answered late; in other words, the percentage of the 82 per cent that he has answered that were in fact beyond the 45 day limit. Is it 90 per cent of them or 95 per cent of them? Could he give us that breakdown as well?

Mr. Speaker: I do not of course want to bring this brilliant debate to a close because these are matters of importance and the number of questions that a member puts on the Order Paper often reflects the diligence of that member. The rule is there to be followed unless there is very good reason why the government cannot manage it in the time.

I appreciate the comment of the hon. member for Kingston and the Islands that he appreciates the position in which the parliamentary secretary finds himself. I think that the hon. member for Glengarry—Prescott—Russell has made a point and the parliamentary secretary knows that he is being pressed. I am sure that he will pass that message on.

If it is of any help, the parliamentary secretary could also remind those who have to get these answers that the rule, as I have said before, was not put in the book to lie in abeyance or to exist in a vacuum. It is there as a direction to the government and to the bureaucracy to respond as adequately and as quickly as they can to questions which must be deemed serious.

The hon. member for Kingston and the Islands asks another very detailed and complicated question. I would hope that he could handle that issue on a matter of personal negotiation with the parliamentary secretary because it might take quite a long time to find the answer to the question that he has asked.

I think I will leave it with the parliamentary secretary to do everything he can to obtain from others the kind of co–operation that is in keeping with the spirit of the rule.

Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Speaker: Orders of the day.

POINT OF ORDER

STANDING ORDER 52

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just noticed that you skipped over the routine proceedings that call for applications pursuant to Standing Order 52. You were right in calling orders of the day but I would like to make the point that some of us in this House feel that because of yesterday's proceedings, the privileges of some of the members in this House have not in my view been protected by the Standing Orders as they exist today.

The argument that I am going to make is that you received on January 18 last a letter, signed by the hon. member for Beauséjour, asking for an emergency debate on the fishing situation, the escalating crisis in the cod, lobster, snow crab, and herring roe fisheries in Atlantic Canada, characterized by numerous shutdowns of fish plants, loss of jobs, and essentially closing entire communities.

That, Mr. Speaker, to us on this side of the House is a very important and very difficult question. We thought at the time that the request under Standing Order 52 was appropriate and should be given due consideration.

• (1140)

Of course we realize that in using Standing Order 52, which is a complex Standing Order, the discretionary decision was yours and we abide by that all the time.

The difficulty yesterday was that the government, in its resistance to having VIA Rail discussed on a motion moved by my friend from Thunder Bay—Atikokan to concur in a standing committee report, had the same parliamentary secretary who a few minutes ago said that he would never infringe upon the rights of members of the House of Commons move a dilatory motion.

I put it to him that yesterday he did infringe upon the right of some members of the House of Commons to debate a very, very serious matter, not by his own will or by his own design, but nevertheless the rules are made that way. When he moved that we proceed to Orders of the Day, he thwarted every effort of this House to try to discuss a very serious and deep concern of many Canadians about the fishing industry in the Atlantic provinces.

The arguments that I would like to put to you deal with Standing Order 52 pertaining to emergency debates. I do not want to read the whole section because it is quite extensive, but I want to ask that you consider Standing Order 52(15). I will read that clause which is the last clause of that Standing Order, because I think it is important. It reads this way:

> The provisions of this Standing Order shall not be suspended by the operation of any other Standing Order relating to the hours of sitting or in respect of the consideration of any other business; provided that, in cases of conflict, the Speaker shall determine when such other business shall be considered or disposed of and the Speaker shall make any consequential interpretation of any Standing Order that may be necessary in relation thereto.

That, Mr. Speaker, is my point. Yesterday the government decided that in its judgment it did not want to proceed with debate on the motion moved by the member for Thunder Bay-Atikokan concerning VIA Rail. The government moved what I would call a dilatory motion. The government short-circuited the whole system. We did not get a chance to reach the point in Routine Proceedings that call for your decision upon an emergency debate asked for in good faith by the member for Beauséjour. Therefore, today I thought you would call that item.

You have had the motion since January 18. There is nothing in the Standing Order which says that you had to call it yesterday or today. If something happens, within the rules, that prevents it from being called, we take it then that the Speaker will call it the following day. Now today we find that you did not call it.

I know you did not call it because I was told by the Table that we would have to retable or resubmit the letter. That to me is a bureaucratic decision which I cannot accept. Nothing in the Standing Order says that we must do that. Nothing in the Standing Order says that you must resubmit an emergency debate request.

An emergency debate is something that happens that day or happens that week or happens in that period. The emergency is still there. Why do we have to go through this rigmarole repeating the process of resubmitting a letter which calls for an emergency debate when indeed section 15 of Standing Order 52 gives it, in my judgment, authority to decide any interpretation of those rules.

Point of Order

I appeal to you, in the interest of parliamentary order and in the interest of getting this debate before the House, that you reconsider the decision not to go to Standing Order 52 today, as is called for in our Standing Orders on Routine Proceedings.

I would like to state in conclusion that my fear is that the government with its majority could at any time that it knows that there is an emergency and that there is likely to be a debate, because we sometimes advise the government that we are going to want to discuss a specific issue, could render this Standing Order absolutely useless when, during Routine Proceedings a member of the government has the floor and moves that we proceed to Government Orders. I find that a bit difficult to accept.

The government will use its majority to prevent debate on a very important question put to the House by a member of this House. In other words, any time the government wants to use its majority to thwart the process and avoid discussing an emergency, it could move that we proceed to Government Orders. In my view, that would not be in keeping with what I would call democratic process and I would object strongly to that procedure.

Therefore, I plead with you to reconsider the decision not to call motions under Standing Order 52 in Routine Proceedings as is normally done and to ask that the letter tabled by the member for Beauséjour be considered today and a judgment made on his request for an emergency debate on the fisheries situation in the Atlantic provinces.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to be very brief on this issue. I think it is an important issue. I think all members of the House would recognize that members have a right to raise an issue that they feel is an emergency requiring a special debate and I think we ought to keep in mind, too, we are just returning for a session of Parliament and in that spirit, I think we want to maintain as co-operative and friendly an atmosphere as we can.

I think we all appreciate the government's decision to call for a vote as a result of a concurrence motion yesterday. The government had two choices as I see it. One was to move that we proceed directly to Government Orders, which the government did. Another alternative would have simply been that the present debate now adjourn and we move back into Routine Proceedings.

We had some discussion, as a matter of fact, between myself and the parliamentary secretary and we recognized that these were two options. The government chose one. As a result of that action, we were not able to get to the point in Routine Proceedings where hon. members could raise their cases calling for emergency debates on the Rafferty-Alameda Dam environmental situation, the situation in Ethiopia and the crisis in the east coast fishery.

Rather than argue whether or not we can interpret Standing Order 52 in such a way that would permit us to raise those questions now, could we not simply agree unanimously in the spirit of co-operation that at this point we allow those members who have submitted letters indicating their intention to rise and make a case for an emergency debate to have an opportunity to do so and get on with the agenda and the business of the House.

Mr. Speaker: I know that other hon. members may wish to rise. Perhaps I can keep them from going through extensive argument by commenting on the application.

First of all, this matter may be resolved very easily today. Because we have to make a decision about this quickly, I do not want to give an incautious response.

Without definitively saying what the rule calls for, we should remember we have on the floor of the House now notice of only one application. It is the custom of the Chair not to comment on any other applications that the Chair receives until the member filing the application actually rises in his or her place. I know hon. members will understand that. In view of the fact that both the hon. member for Ottawa—Vanier and the hon. member for Kamloops have indicated that there were a number of applications yesterday, I think I can refer to those applications as the applications that I received yesterday.

As it turned out, the government did move for Orders of the Day so it was not possible for me to rule on those applications. That could have been easily remedied perhaps without any need for argument if the applications had been refiled today.

In the event that there is some concern among members as to just exactly how this rule ought to be interpreted, I will go away and give it some consideration. In the meantime, it may be that as the hon. member for Kamloops has suggested that I deem the applications to be in front of me, I can only do that, of course, with the consent of the House.

• (1150)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, may I make a couple of points, the first one being that when I moved the motion yesterday, and I did move the motion that we move to Orders of the Day, it was not in any way my intention to cut off emergency debates. In all fairness, had the opposition advised me that they had made an application for such a debate, I am sure we would have been able to co-operate and to accommodate them in some fashion.

I want to say also, without in any way establishing a precedent, I have no problem and on our side we would be willing to accept the recommendation of my hon. friend from Kamloops, the House Leader of the NDP, in that those notices which were given yesterday, notice or notices, I am not sure what you are dealing with, being treated as though they were refiled again today, as long as that does not establish a precedent, and also does not in any way reflect on the government's opinion as to whether or not those particular issues in fact do represent an emergency.

Mr. Speaker: The hon. member for Glengarry—Prescott—Russell may have a point that I have omitted, and I will hear him.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to make just a brief point to add to something that has been said, to ask the Speaker to consider one other element when Mr. Speaker makes his definitive ruling on the interpretation of Standing Order 52 and it is the following.

My colleague, the hon. member for Ottawa-Vanier, has described to Mr. Speaker why he believes that indeed today or at the immediate opportunity on the next day, there should be no need to refile and I accept that point. I wanted to make one further point. I wonder if the Speaker could consider as well whether it would have been appropriate yesterday, as a matter of fact immediately after the vote to move to Orders of the Day, to deal with the issue.

I say this for the following reason, Mr. Speaker. I am not saying it was the motivation this time, but any government could in the future, if the Speaker's ruling today remains unchallenged, utilize the procedure of moving to Orders of the Day in order to stop the opposition from proposing to Mr. Speaker that pursuant to Standing Order 52, we have an adjournment debate. In fact, the government may have developed this tool now by accident. I am not saying it will use it, but the precedent would nevertheless be there.

If the Speaker could consider that immediately after such a vote were taken, if there were a similar vote taken in the future to move to Orders of the Day, that that vote not prevent the Speaker from ruling immediately after on the application under Section 52. That is the point that I wanted to make.

Mr. Speaker: I appreciate the comments of hon. members. I think we have an arrangement in the House, at least at the moment, and I will deem that the applications are in front of me and I will deal with them at three o'clock this afternoon.

I want to say to hon. members that whatever remarks I have said or any remarks that anybody else has said here today do not stand as any kind of a precedent. I will consider the issue and come back to it. But I think it is fair to comment, and especially for the public watching, that if this were a skilful ploy, the House Leader has made it very clear today that he is not proceeding with that intent. I think the public should know that this matter at least for today has been resolved by agreement between the parties and I thank the hon. member for Kamloops for his suggestion.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Monday, January 22, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-52, an Act to amend the Income Tax Act and related Acts, be read the second time and referred to a legislative committee.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have a chance to participate in the debate on Bill C-52. I I suppose when you are looking at legislation and who benefits from the legislation you should send a very clear message. Those people whose incomes are in excess of $85,000 a year and those people who have $10,000, $12,000 or $15,000 cash at the end of the year to set aside for whatever reason ought to be very happy with this government at this point because this legislation is tailored for all of those people whose incomes are in excess of $85,000 or those people who have $10,000 to $15,000 cash lying around at the end of the year to invest in some way.

We are talking about a very select group of Canadians. This legislation is aimed at probably less than 1 per cent of Canadians. The government plans that in its concerns with everything happening in Canada, we now should spend some weeks in the House of Commons debating how to assist those in the upper-income brackets whose incomes are $85,000 and more.

This is occurring at a time when in excess of 1 million people are living in poverty and nearly 1 million people are jobless. There is also an unquestionable crisis in Atlantic Canada and a farm bankruptcy crisis throughout the whole country, particularly in western Canada. There is also a collapsing west coast fishing industry and there are plant closures in all parts of the country, particularly in the industrial heartland of Canada.

In spite of all these issues that are crucial, which in some cases we have all agreed are actually in a crisis situation, the government says it wants to spend some time and help those people who need special assistance, those whose incomes are in excess of $85,000 per year. It reminds us of what the Conservative government's agenda is all about.

We do not spend any time talking about the forest industry. With all due respect to my friend, the minister of forests, who is in the House today and is very concerned about forestry, his cabinet colleagues may not share his same devotion and interest. Do we talk about forestry and the concerns of forestry? No. Do we talk about the concerns of the mining industry? No. Do we talk about the crisis in agriculture? No. Do we talk about the crisis in our export trade? No. Do we talk about the plight being faced by native peoples? No.

We do not talk about the issues facing this country. We are going to talk about assisting those people whose incomes are in excess of $85,000 a year, as if they needed any help. This is absolutely incredible and very embarrassing. I do not know how there are any government members sitting here today who are not just running out and having a cup of coffee to get of here so they do not have to listen to this. How can they seriously proceed here knowing what is going on? Let me get into some details.

Let me first make a slight comment about this legislation that is going to assist the wealthy in the country.

In 1982, the Liberal government carried out a task force on pension reform. It was very critical, very important and was done very seriously. It went across the country, had input and came up with a reasonable report, up to a point. We had to submit, of course, a usual minority statement because there were many parts of it that we did not agree with. The one part we did not agree with most emphatically is what we are dealing with today.

The report suggested that the government introduce legislation as it has done today. But the government has switched from being Liberals to Tories.

In the budget of 1984 introduced by the finance minister of the day, Marc Lalonde, he introduced legislation at that time which is exactly the same as the legislation we are debating today. Perhaps the Liberal mindset has changed since 1984. Perhaps the Liberal view of pension reform has changed. When listening to some of the speeches yesterday, that is one conclusion that I must draw. I can draw others but let us forget that. It is history now. It looks like the Liberals have changed their tune and are also now concerned with what this is going to do in terms of being unprogressive legislation in this country.

• (1200)

This is an appropriate time to deal with so-called pension reform because we all recognize that the population of Canada is aging, that there are problems in terms of people having adequate incomes in their retirement years. We recognize that many senior citizens in this country find themselves living in poverty, in many cases very serious situations of poverty, particularly elderly single women of which there are literally hundreds of thousands living in poverty. Yet this legisla-

tion does absolutely nothing that is going to be of any help, assistance or encouragement to those people.

If you are a wealthy senior citizen, or a wealthy person who will soon retire, this is great news because this bill is going to help the wealthiest in Canada at the expense of the poorest. This is dastardly legislation when you consider that fact. Not only is it going to help those who are very wealthy, it is going to harm those who are at the lower end of the income scale.

Let me be specific. By 1995, when the full force of this legislation will be in effect, those people whose incomes are $86,000 will get a tax benefit of $15,000 and a cash benefit of about $7,500. That is a super deal, using the tax system to avoid paying taxes. Of course, when the wealthy do not pay their fair share, we know who has to pay more than their fair share and it is the average working people in this country, once again.

This becomes interesting. Today, if your income is $20,000, you can contribute up to $4,000 to a registered retirement savings plan. However, when this legislation takes effect, by 1995, if you are earning $20,000, you cannot contribute $4,000 into the RRSP, you can only contribute $3,600. This means that those people at the lower end of the income spectrum will be receiving less benefits than they do today and those fortunate folks at the upper income levels will be receiving a much greater benefit than they do today under the present legislation. It just adds to the old theme, the rich get much richer under the Conservative government, and the poor and the middle class gets squeezed once again.

How often do we get squeezed? There is a lot of talk today about this goods and services tax that is going to literally rip the life out of a good part of the country and a good part of Canadians. The other day I went through the list of all the federal tax increases. In the last 12 months the Conservative Government of Canada has increased taxes in 31 different areas, to say nothing about the big goods and services hammer that is about to fall. In 12 months they found 31 different areas where they have raised federal taxes.

That is the theme, but now they say that somebody has to get a tax break in this country. Someone has to get some benefit from the Conservatives being in office. Someone has to get a tax benefit, and who is that going to be? Is it the poor and the lower income people? No. Is it the middle income earner? No. Is it the very wealthy? Ah! That's it, the very wealthy in Canada are going to get a real tax bonanza as a result of this.

This really has nothing to do with pension reform. This has more to do with the Conservative tax reform package because this is all about allowing upper income earners, if you like, to avoid paying income tax. It has nothing to do with helping people with pensions.

If we were serious about helping people with their pensions, we would have introduced legislation that would assist the portability aspect of pensions. Does this legislation have anything to do with pension portability in this country? No, it does not. Does this legislation have anything to do with the fact that 90 per cent of the private pension plans have no indexation built into them? No, it has nothing to do with that.

Does this have anything to do with homemakers' pensions? No, it has nothing to do with that. Is there any element in this bill that would allow those men and women who must remain at home raising children or perhaps caring for elderly or disabled to have a chance for a pension upon retirement? No, not a word.

The only word is that if you are wealthy in this country, you are going to get a tax break on top of all of the tax breaks you already get. That is what this is all about. This is Conservative tax reform, reform of the tax system to help those in the upper income brackets. That has become perfectly clear.

This is going to cost the Canadian government a lot of money. When you give tax breaks to upper income earners, tax money does not come into the federal treasury. That means working Canadians will have to pay more tax. But when you add it up, how much is it going to cost? It depends on which witness you listen to. Some say $500 million a year, some say $350 million a year. The lowest figure I have heard is that it is going to cost $300 million a year. I think the short and long of it is that no one knows for sure, so it is somewhere between $300 and $500 million. That is half a billion dollars that it is going to cost the people of Canada to assist these people in the upper income brackets.

Mr. Speaker, knowing the kind of person you are, I would suggest that it would make more sense to you, if we are going to lose at least $350 million, to take that money and give it to those people, particularly those single, retired elderly women, most of whom are living below the poverty line. We could give every one of them an extra $30 a month.

It may not sound like much to some people, but when you are on that kind of pension, living in poverty, an extra $30 a month would be very welcome. It would make a tremendous difference in the the kind of lives that they have. But, oh no, the government cannot afford that. The government cannot afford to give poor, elderly, retired women an extra $30 a month. But it can afford to give a nice little windfall by allowing those whose incomes are in excess of $86,000 to avoid paying tax on $15,000 or, in other words, a cash benefit of about $7,500. That the government can afford.

Therein lies the Conservative government agenda. Therein lies the theme of what it means to have a Conservative government in Canada. The very wealthy and privileged benefit, the poor become poorer and the middle-class become squeezed more and more in terms of taxes that they must pay and, as a result, their earning power is lessened.

Not only is this unfair to working Canadians, and particularly those Canadians who are at the lower income levels, but it is also unfair to women directly. We recognize from the statistics now available that in 1986 women only earned 57 per cent of what men earned. In other words, on balance women are paid a lot less, which means they have a lot less money at the end of the year to set aside to put into an RRSP, if they have any in savings. I wonder how many people who might be watching or listening today or reading *Hansard* know of women whose incomes are in excess of $86,000 a year. I think you would have to look long and hard to find those few select women in the country whom this is really going benefit.

I see my friend of long-standing, the chairman of the finance committee, is here. I suspect he is going to stand up shortly and explain why it is so important that those at the upper-income levels receive more tax benefits. He will tell us that if they do not have to pay any income tax, then they will invest in more things and they will buy more and they will help the economy. Well, that is his view of the world, it certainly is not mine.

Let me go on and show you how this is unfair to women. Of those contributing to registered retirement savings plans last year, it turned out that 61 per cent were men and 39 per cent were women. In other words, almost twice as many men take advantage of this rather lucrative tax loophole. Again, obviously there is a bias against women. Sixteen per cent of women tax filers use the RRSP contribution option and 24 per cent of men tax filers use the RRSP contribution. Statistically it becomes clear that it is men, upper income earners, that take advantage of this tax provision, significantly more than women. In a very indirect way there is a real bias against enabling women to provide for their retirement years.

Also in many cases this is biased against small and medium-sized businesses that are trying to establish company pension plans for their employees, because many of them see these now rather lucrative opportunities in terms of the tax loophole system that the Conservative government has introduced and prefer to remove themselves from company pension plans and take advantage of these lucrative opportunities, making it difficult for the small business sector to provide for the employees' retirement.

• (1210)

It was rather funny and I guess we all had a laugh when the government introduced this legislation yesterday. We expected the Minister of Finance to stand up and introduce it because the bill is obviously a piece of legislation to change the tax system to benefit upper income earners. But who was it who introduced the legislation and represented the government? The Minister of State (Privatization and Regulatory Affairs) introduced the legislation, which again betrays the real agenda which is, rather than focus on the Canada Pension Plan and improve that, rather than focus on old age security and improve that, the government is moving towards more privatization of the pension system.

Why would this surprise anybody? We need simply recall that not too many years ago the very first thing the Conservative government tried to do when it became the government was to reduce pensions. That is the very first

thing it tried to do. Remember that? I know the chairman of the finance committee remembers those days.

Mr. Boyer: Partial deindexing is not a reduction of pensions.

Mr. Riis: My hon. friend is yelling at me. Let me be more precise. The newly elected Tory government of Canada decided that rather than allow seniors to keep up with inflation, rather than allow seniors to get their regular annual increase, it was going to cap it. In other words, it was going to stop senior citizens from getting what they rightfully deserve each year. They are going to fall behind in terms of purchasing power which is a very real way of cutting the pensions that they would normally have received.

Pensioners across the country rose up and said, "We're not going to take this nonsense from a cruel, abusive government." Enough of them contacted members of Parliament so finally the Prime Minister said, "We can't take this heat. We're going to back off." Then they came in and said, "Listen, we can't have all the senior citizens in Canada getting old age security. If you have saved and planned ahead and scrimped your whole life and planned well for your retirement years, we're not going to give you any pension. We're going to claw it back." That is the terminology that the Minister of Finance used; "We're going to claw back pensions from senior citizens if you provided thoughtfully for your retirement years." They said, "We've got to do this because of the deficit problem."

If the government is going to do that because of the deficit problem, why is it going to give half a billion dollars to the upper income earners of Canada through this legislation? We have to think, "Why are they doing this?" Obviously, the government does not really care about the deficit or else it would not be giving away this freebie to upper income earners.

There was something else and, of course, it was an abandonment of universality. If we can abandon universality when it comes to pensions as they abandon universality when it comes to family allowance, we can then turn this country into a charity country where people have to come and make the case if they are poor enough to get a pension, that they are poor enough to qualify for family allowance. That is the kind of charity, on your knees begging society that we associate with the Conservative government. That is where we are moving.

If the deficit is so serious I hope that the members opposite, when they make their speeches in the next few days on this legislation, will explain why they feel we should be sending $1 billion to the most wealthy of Canadian citizens.

There is so much more to say. Let me simply conclude by looking at statistics that the government has provided about those people who file for RRSP deductions in their tax returns. Hardly any of those people who are low income earners making $10,000 to $15,000 a year in total income use RRSPs. I would say virtually none. However, most people in the $50,000 to $60,000 bracket use RRSPs. Of those who are earning well, particularly the upper income earners, almost all use this tax loophole. Of the low income people, virtually no one uses the tax loophole.

Let us be honest now. This legislation is designed for a very select, specific, privileged group in our society, those people who earn good incomes, and particularly those people earning incomes over $86,000 a year.

I rest my case, Mr. Speaker.

Mr. Blenkarn: Mr. Speaker, the House leader of the New Democratic Party has given us a number of reasons why this bill ought to spend some considerable time being studied by committee; because of the tax deferral nature of the bill and because it is probably one of the most complicated pieces of legislation to come before the House for as very long period of time.

In that regard he will know that both the Liberal party and the government wanted the matter to come to the finance committee but for some reason the New Democratic Party decided it would like the matter to be filibustered in the House for awhile and then go to a legislative committee where there really would be no opportunity, under the rules, for a complete analysis of the nature and quality of the tax deferral system.

I was wondering why he would want to handle the matter in that fashion. Would he not agree with me that this bill ought to have very thorough consideration and ought to be subject to witnesses from various associations such as the Canadian Teachers' Association who are upset about the nature of this kind of legislation because, as he may know, it minimizes their potential pensions.

Would he not be interested in the problem that this legislation minimizes the transfer from one tax deferral scheme to another? Would he not want that very complicated financial legislation analysed in such a way where the committee could employ independent actuarial help? It cannot do that under the standing orders governing a legislative committee.

I was wondering why he had in mind taking the position he has taken so far in this debate.

Mr. Riis: Mr. Speaker, that is a very thoughtful question by the chairman of the finance committee.

He said at the beginning of his remarks that the opposition is filibustering this debate. We have had five or six speeches, from 295 members of Parliament, on what he describes as incredibly important legislation that has financial implications that are very significant and that will touch the lives of millions of people. He is saying that we are filibustering because five members of Parliament have wanted to discuss this matter.

That betrays an attitude that concerns me. It betrays an attitude of the government that says that any debate, any discussion, any examination, any analysis is too much, and for most of its policy I can understand why it would not want any examination or study. We saw that with the goods and services tax. They went to my own province of British Columbia and said, "This is going to affect the lives of every British Columbian for years and decades and we are going to allow about eight hours of hearings in British Columbia so that a handful of people could appear before the finance committee." That is their idea of input and discussion and consultation. It is an abuse of this place and the traditions associated with it.

Having said that, I am just registering my concern because we have seen this from time to time. When a matter is referred to a committee the government uses its muscle in terms of its majority and we see the tyranny of the majority say, "We don't need any witnesses, we are going to ramrod this legislation through and we will use our majority muscle to do that", and the opposition parties are simply cut out.

That is not the way Parliament is supposed to work, but unfortunately that is the way the Conservative government has worked too often.

My hon. friend has indicated today in the House of Commons that if this matter is referred to the finance committee it will have an opportunity to hear an appropriate number of witnesses, that it will take considerable time to analyse all of the implications involved. That probably takes a number of days of discussion beyond the witnesses. And my hon. friend nods in agreement.

• (1220)

I realize that a considerable amount of expertise exists on the finance committee. I recognize that my hon. friend for Yorkton—Melville has worked on that committee and on this piece of legislation. My hon. colleague for Okanagan—Similkameen—Merritt will be participating. I feel confident, recognizing their contributions to this legislation and to the debate so far, that their contributions, along with those of appropriate witnesses, would be best. I am certainly prepared, on behalf of my caucus, to say that with those assurances of adequate witnesses, adequate time spent and adequate resource people being involved, we would have no difficulty in seeing this go to the Standing Committee on Finance.

I want to make it clear that I understand that my hon. colleague for Okanagan—Similkameen—Merritt has communicated with my hon. friend, the chairman of the finance committee, and indicated our concerns and I understand that he is prepared to agree that all of these terms be met. If that is the case, we would have no hesitation in sending this piece of legislation to the appropriate committee which is the finance committee.

Mr. Milliken: Mr. Speaker, the hon. member for Kamloops has made a very able speech and I congratulate him on his presentation. He speaks with great clarity and obviously he feels strongly on this subject. But I want to give him a chance to correct something on the record because I know he would not want to mislead either the House or Canadians by his suggestion in his speech dealing with the tax bonanza that he suggests is reaped by those who take advantage of the RRSP deduction, even in its existing form, let alone in the expanded version that the government is proposing in this bill.

I think he is aware that registered retirement savings plans represent deferral of tax. The person who makes the claim for the deduction pays no tax on the money but the money then goes into a special fund and is taxed when it comes out of that fund and is received by the person who put it in. In other words, it is a deferral of tax on that income which is allowed to grow in that fund. The depositor is hopeful that by retirement the fund is quite large. As the money is paid out to the recipient, the

person who created the fund, it is then taxed in that person's hands.

I would not want the hon. member to suggest that this is a complete tax bonanza for the well-to-do. The money will be taxed eventually, I think he will admit that. I just did not want to leave the record blemished in that respect. I know that the hon. member was not trying to suggest that this was a complete saving of tax. I think he is, in effect, acknowledging it is a deferral and I just want him to clarify that.

Mr. Riis: Mr. Speaker, I am not certain that there is a point there to clarify. Let me make it very clear that when you have a tax concession that benefits fewer than 1 per cent of the people of Canada, who happen to be the most privileged group in the country as per our tax system anyway, perhaps tax bonanza is not the best term. I suppose "an exceptionally good deal for the wealthiest of Canada" would be a more appropriate phrase.

I think that if my hon. friend was to ask his tax accountant or his tax adviser, having deferred all of these taxes for perhaps many years, at a time, I might add, when your income will probably be less than it is today and consequently you would be paying tax at a lesser rate—

Mr. Milliken: Unless I am clawed back.

Mr. Riis: Unless you are clawed back, yes. There are ways and means of perhaps moving to a different jurisdiction for your retirement years. Having deferred taxes for a number years you might find that a relocation for your retirement years to a certain country would enable you to not only receive the income which you have deferred, but pay no taxes on that income as well.

I am just saying that by using creative accounting and creative tax planning those people who are most able to afford that kind of advice may find ways and means of actually avoiding paying tax completely. I think the point is well taken. Perhaps it was not as clear as I could have made it, but I am glad to have had a chance to clarify the point I was making; perhaps not a tax bonanza, but an incredibly good tax deal for those who need it least.

The Acting Speaker (Mr. Bird): The hon. member for Winnipeg—St. James.

Mr. John Harvard (Winnipeg—St. James): Thank you, Mr. Speaker.

The Acting Speaker (Mr. Bird): The hon. member for Mississauga on a point of order.

Mr. Blenkarn: I rise on a point of order, Mr. Speaker. Normally, the opposition speaks, then the government speaks. The government has not had an opportunity to speak on this bill for some time. The bill has been carried by the opposition. I was wondering whether my hon. friend would allow me to make a very short intervention right now, largely so that the members of the New Democratic Party would be able to ask me some questions in the ten-minute question period allowed.

The Acting Speaker (Mr. Bird): I do not consider that a point of order and I call on the hon. member for Winnipeg—St. James on debate.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, normally I would have acquiesced, I would have acceded to that request, but I am already late for lunch with a certain gentleman from the Montreal area who has great aspirations for this country. I am going to have to try to explain why I am already late for lunch. But normally I certainly would have acceded to the request.

I am delighted to take part in this debate on Bill C-52. I particularly enjoy rising after the presentation by the hon. member for Kamloops. After all, he is very articulate and very good on his feet. He is a smart fellow and I particularly enjoyed the exchange between the hon. member for Kamloops and the chairman of the House of Commons finance committee.

I must say that I was taken aback a little by the chairman's comments about desiring further examination, a detailed analysis of Bill C-52. I think that is a very good idea because, after all, this is an extremely complex bill and it will have an impact on thousands and thousands of Canadians. But I am compelled to ask whether some kind of a change has come over the chairman of the House of Commons committee and all government members? They have not exhibited a great desire in this Parliament for a detailed analysis of anything. In fact, what government in the history of Parliament has used closure more than this government? What government

has used the time allocation measure more than this government? What government has choked off public hearings, presentations and briefing on certain issues more than this government?

Right now we have a committee of the Senate visiting Atlantic Canada. It is doing that because this government has not allowed public expression and presentations with respect to the unemployment insurance issue. So I must say that I am a little surprised when I hear the chairman of the House of Commons finance committee making this strong pitch for analysis. But maybe it is a genuine change and if so I welcome it.

I do want to see Bill C–52 go to a committee, be it a legislative committee or a standing committee. I want it to go to a committee as soon as possible because there is a lot of work and study to be done here. This is a very complex and technical bill. As I said, it is going to have an impact on thousands and thousands of Canadians. We need the public input.

I got some idea of how Canadians feel about this when we Liberal members from Manitoba held day long hearings on proposed possible pension reforms last summer. We were deluged. People really care about this kind of an issue because it permeates our lives. We work for a certain time and then, if we are lucky and if we have good health, we retire and go on pension. We need a kind of income that will support us with some kind of dignity. Hopefully, most of us will have a standard of living that is not that far removed from the kind of standard of living we had when we were working.

• (1230)

I want to see this bill examined as thoroughly as possible. I would hope that if it does indeed go to a legislative committee, as I would expect, that the government majority would not use its majority to choke off briefings, to choke off presentations. Let us get a good airing out of this issue. Let us hear from Canadians because I know that they have a lot to say.

I would like to enter into the record in a few minutes a letter that I received from a constituent which deals with a particular provision in Bill C–52. But I will get to that in a moment.

I think that what I want to say now, and it is all part and parcel of this particular debate on Bill C–52, has to do with how Canadians feel about their federal government right now, how Canadians feel about their country as a whole. You know, Mr. Speaker, I, like the rest of the 294 MPs in this House, have just come off the Christmas–New Year break, if you can call it a break. I think most of us worked out of our riding offices.

During that break we had the opportunity to listen and to hear from a lot of constituents. The message that I get when I talk to constituents is that something has gone wrong in this country, something is amiss. They use that old expression, "There is something rotten in Denmark". You can change the name Denmark to Canada.

I think that there is a growing number of Canadians who are feeling and saying that there is something wrong in this country. We are on the wrong tracks. We are going in the wrong direction. Things are beginning to unravel. They are coming apart. We are beginning to lose the institutions that we worked so darn hard for some many years to build up, institutions that have served this country for so long and so well and we now see them coming apart at the seams.

Canadians are not stupid. They are not stupid. They are very astute. They can see it. They tell us that over and over again. They have not got a full grasp of it all yet, but they are getting there. I think they are getting right down to the nub of it.

I say to the members on the other side, if they are not listening, and listening very closely, they are going to find themselves in deep, deep trouble. Maybe a lot of us would not really care about those people on that side being in deep, deep trouble, but we all care about our country.

This government was not elected to carry out some kind of revolution, and I mean that sincerely. This government was not elected to carry out a revolution. But what do we see?

We see the decimation of VIA Rail. Were the government members elected to decimate VIA Rail? Not on your life, Mr. Speaker. I do not remember them saying much about doing away with 51 per cent of the routes. They did not say anything like that back in the 1988 election campaign.

What did they say about the GST? They did not say a heck of a lot, did they, back in the election campaign? They talked about what? The second phase of tax reform. Some tax reform! It is not tax reform at all. It is a tax grab. Do you know what, Mr. Speaker? This government was not elected to impose this kind of monstrous tax grab. It was not elected to bring in the clawback. It was not elected to attack seniors in that particular way.

Its members did not do it. They did not say that during the election campaign, but they have done it.

They were not elected to make those changes to the unemployment insurance scheme, those changes which are going to have such horrendous effects on Atlantic Canada in particular.

This government was not elected to wreck the fishery, despite the fact that the Prime Minister says there is no crisis in Atlantic Canada. Well, there is a crisis in Atlantic Canada. You cannot separate the fishery from the rest of the economy in Atlantic Canada. If there is a crisis in the fishery in Atlantic Canada, then there is a crisis right across Atlantic Canada. It is as plain as the noses on our faces.

This government was not elected to unravel or to tear apart rural Canada. All you have to do is go back to my home country, whether it is the province of Manitoba, or the province of Saskatchewan or Alberta and you can see how rural Canada is coming apart. This government has to address many of those issues.

As I said, this government was not elected to carry out some kind of a revolution. It was elected to be pragmatic, realistic and responsible and to deal with the issues of the day and not to proceed along some right-wing agenda, to proceed along some ideological path. That is not what this Conservative government was elected for. Canadians are practical people. They are realistic people. They are pragmatic people. They are responsible people. That is what they want the government to do, not this silly nonsense the government has embarked on ever since the beginning of this Parliament.

I want to deal with a couple of provisions in Bill C-52. I think that the complexities and the technicalities of the bill should be left to the committee. I think we MP's should be dealing with the politics of the bill and the politics of the issues around this bill.

There is the matter of the roll-over of pension income into RRSPs that will not be allowed any more under this bill. This is going to have an impact on a number of senior citizens. It is something that they have become accustomed to over the past few years, and now they are going to lose it. They are going to feel it. I have had a number of calls and a number of letters with respect to this particular provision.

With your permission, Mr. Speaker, I would like to read into the record one of the letters that I received just the other day. As I say, the letter is from a constituent. It goes like this:

> Dear Mr. Harvard:
>
> I would like to bring to your attention a predicament that the recent legislation prohibiting monthly pension payments to be transferred to RRSP's has put me into. I am now being forced to withdraw my Federal Government pension allowance (at age 57) when the intention was to withdraw my pension funds at a pensionable age. The situation is as follows:

I want to read this letter because I think it pretty well sums up the kind of predicament this gentleman is in. I am sure there are a lot of other Canadians who find themselves in the same kind of situation. The letter continues:

> In July 1962, I joined the Department of Veterans' Affairs, Treatment Branch as a Clinical Chemist—at Deer Lodge Hospital in Winnipeg.

That is in my riding, by the way.

> Negotiations to transfer the hospital from Federal to Provincial jurisdiction were completed in 1982 and the transfer was effective April 1, 1983. In preparation for the transfer all positions in the hospital were reviewed to determine whether the new facility required all these positions to carry out its objectives. Positions no longer required were termed "surplus" and my position as clinical chemist became "surplus".
>
> In the months preceding transfer, all employees were counselled by Federal Government Employees from Ottawa as to their rights and advised regarding any decisions to be made. In my case, the major decision was what to do with my superannuation. I was aged 51 years at the time, too young to receive an annuity (an unreduced pension) and had to choose between receiving an allowance (a reduced pension due to age or length of service) or deferring my annuity until of pension age. Upon the advice of the counsellor—

• (1240)

I should add the interjection that this counsellor worked for the federal government.

> Upon the advice of the counsellor I chose to receive the allowance (with a 45 per cent reduction due to my age) and transfer it directly to an RRSP. The reason for doing so was that a deferred annuity while not increasing would pay only 6 per cent interest while RRSP funds would probably grow at a higher rate of interest and not be subject to tax as income until retirement age. I have continued to transfer my monthly pension allowance to RRSP until now when I am being forced to

withdraw it, add it to my current income and pay a high income tax rate on it.

I will not read the other paragraphs of the letter. I think you get the gist of the man's grievance.

What the man in effect is saying is that he sort of bought into a deal. He bought into a deal or a bargain. He negotiated with the government and thought he was doing it honourably. He decided that it was in his best interests to retire early, take an early pension and roll over the pension moneys into an RRSP. That was the plan.

The other party to this deal, if I can call it that, was the federal government. He finds now that the federal government, in essence, has decided to unilaterally change the deal. He will not be able to do this any more. This constituent feels aggrieved. He feels that something is just not right. I think it is an issue that the committee is going to have to look at very seriously. It is a microcosm of the larger issue, the larger issue being whether government can change some of these schemes after certain solemn promises have been made in years past.

For example, many Canadians back in the fifties and sixties were contributing to the old age pension plan. You will recall contributions to the old age pension plan came directly out of your tax payments. I think at that time Canadians thought that by paying into an old age pension plan they would get it all. They felt that was part of the bargain. It is similar to buying life insurance. If the life insurance company promises you $1,000 a month, that is what you are going to get. The value of $1,000 may not be as much when you finally get the money but it will be $1,000.

I think there are Canadians who feel that something has gone wrong with the system. I think this issue in particular has to be looked at very seriously when this bill goes to the legislative committee.

Another thing I wanted to mention was the other provision which reduces the amount that can be contributed to an RRSP. Up until now it has been 20 per cent of earnings. Now that is going to be reduced to 18 per cent. Take the ordinary working person who may be making $25,000 a year. It is going to hurt that particular worker. This is another provision of Bill C-52 which should be explored very seriously when it goes before the committee.

I hope the Conservatives listen to the chairman of the House of Commons committee very seriously when he says that he wants a detailed and comprehensive analysis. That is exactly what this bill will get because it needs it.

The Acting Speaker (Mr. Bird): Are there questions or comments? The Hon. Member for Malpeque.

Ms. Callbeck: Mr. Speaker, I have been listening with interest to the comments made by the hon. member for Winnipeg—St. James. I was particularly interested in a letter which he read into the record that he received from one of his constituents concerning the roll over of monthly pension into the RRSP. I am just wondering how widespread this problem is in Canada. I would like to ask the hon. member if he has heard from other constituents on this matter. I would like him to comment on that.

Mr. Harvard: I thank the hon. member from Malpeque for that question, Mr. Speaker. I say that because in my opinion this problem is quite widespread. I have heard from a number of constituents on this very issue.

Let me just tell you about one particular call I received from a woman who identified herself as 66 years of age, single and on pension. I do not remember how long she has been on pension, but she has had this privilege of taking the pension money and rolling it over into an RRSP. Now she cannot do that.

I asked her the question: "You are a woman of 66 already on pension, why would you want to roll your pension money over? Why would you not just want to spend it? Why would you want to put it into an RRSP which is a form of saving?". I thought her answer was quite revealing. She said: "I want to put it into an RRSP. I want to save it. I want to put it away for the future because I do not know what the future holds. I do not know whether the pension benefits I now receive will be good enough to meet the cost of living five or ten years down the road". She asked the question: "What if I live to age 80 or 85, will my pension be good enough? Will it be plentiful enough to meet the cost of living when I reach that age?" I think that is a very legitimate concern on her part.

These people do not want to go on welfare. They do not want to be a burden on anybody else. They want to stand on their own two feet. If that means that they can put a little bit of money aside now, even if it is pension money, they want to do that because there is that so-called rainy day. They want to be ready for that rainy day. I think that woman is typical of responsible Cana-

dians who are thinking about the future, who are thinking about tomorrow. We should have a lot of time for people like that.

When Bill C-52 goes before the committee those are the kinds of issues we should be addressing. These people are not crackpots. These are solid Canadian citizens with legitimate concerns. They are not greedy. They are not self-centred. They just want to conduct their lives in a very responsible way. Of course, and it is understandable, they do not want to see their standard of living decrease. All they have to do is look around and see the cost of living, inflation and the rise in taxes. The cost of living is going up all the time. It is a legitimate concern they have.

Mr. Blaikie: Mr. Speaker, just a comment on the reference that the hon. member for Winnipeg—St. James made to the way in which the government is breaking the deal which was implicitly struck with many pensioners who retired with a certain understanding of what would be available to them when they retired, whether it was in the way of RRSP options, or for that matter the OAS.

I rise to comment on this because I recall when the Conservatives were in opposition they made a very big deal out of any actions by the Liberal government of that day which, in their judgment, were seen to be unilateral changes in what they understood to be agreements between the business community and the government.

• (1250)

I remember a great many Conservative members of Parliament being exceedingly indignant about the fact that the Liberal government of the day would abrogate certain tax agreements or other agreements that might be in place. This was regarded as a heinous crime by the opposition Conservatives at that time. Yet, in government, they seem to have no qualms whatever about breaking unilaterally longstanding agreements, longstanding understandings, that have existed between Canadian citizens and the government with respect to old age pensions, with respect to RRSPs, with respect to unemployment insurance, with respect to federal support for health care and post-secondary education—with respect to any number of things that affect the lives of average Canadians. This government has had no qualms in acting unilaterally to violate longstanding agreements between the Canadian people and their government.

I find it hypocritical in the extreme that the government members should be so willing to do this while not so long ago they made a career out of criticizing unilateral government action.

The Acting Speaker (Mr. Bird): Do I have unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Bird): It being 1 p.m., I do now leave the chair until 2 p.m.

At 12.51 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

CRUISE MISSILE TESTING

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, today another American cruise missile is being tested in the Canadian north. Northerners have repeatedly expressed their opposition to this testing. We protest again today.

Northern opposition to these tests is long standing and consistent. Both the legislatures of the Yukon and the Northwest Territories have passed resolutions opposing continued cruise missile testing over northern lands, waters and communities.

A growing number of Canadians view the continued testing of these missiles in this country as being inconsistent with recent improvements in the climate of international peace and security.

Positive developments in central and eastern Europe have opened up opportunities for western peace initiatives. Canada can make a valuable contribution to steadily improving east-west relations by rejecting further cruise missile testing over our north.

S. O. 31

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, every year since 1985 this government has been promising a disaster program for farmers. There is no mention of such a program in the crop insurance legislation that was introduced last month. There does not seem to have been any serious discussion with the provinces. *Ad hoc* programs have been used recently for drought and flooding.

I urge the government and its Alberta counterparts to provide assistance immediately to farmers with snow covered crops in the Peace River block.

I realize this will cost money and Conservatives want to cut their spending on agriculture. Cuts have been made to fuel tax rebates, research and crop insurance. There is no more two-price wheat or interest-free cash advances. There is no more special grains program, even though U.S. efforts to force down world grain prices are being stepped up.

About 300,000 acres of crop lie under the snow in northern Alberta. Some may yet be salvaged, but all farmers will lose a great deal of money due to the rain and snow during harvest. These farmers need action from this government now.

* * *

[*Translation*]

THE CHILDREN'S WISH FOUNDATION OF CANADA

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, last November I had the pleasure of visiting the well-known Children's Wish Foundation in Quebec City, whose headquarters are located in my riding.

Mr. Speaker, I must admit I was very moved to see how some people were able to make dreams come true for children who are terminally ill, doing so with minimal financial resources.

Fulfilling these dreams is not easy. It takes a lot of love, dedication and determination, and it is being done by volunteers who work very hard for these children who are becoming increasingly helpless. Mr. Speaker, we all have basic needs that must be met, children most of all.

The two people who started this dream project, Edith and Pierre Letarte, deserve our admiration for the warmth and comfort they offer the children and, through them, their parents.

Mr. Speaker, in concluding I would urge people who have a few hours or a few dollars to spare to give generously and make this dream part of their lives as well.

* * *

[*English*]

ROMANIA

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have recently returned from a trip to Romania sponsored by the Unitarian Universalist Church. We found there a courageous people who are determined that the thousands who have martyred themselves to overthrow the vicious and sadistic reign of Ceausescu shall not have died in vain.

Romanians need our help to re-enter the world they had been shut out of. No other East Bloc nation has suffered so much or been so sadly deprived of basic human rights.

I strongly urge the Secretary of State for External Affairs and the cabinet to offer generous support and assistance to the Romanian people and to the interim government in the implementation of their 10-point program.

We should also clearly indicate that long-term aid and trade relations will be subject to the implementation of democracy and the adherence to international human rights treaties.

* * *

HUMAN RIGHTS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, last evening I met with 75 Iranian exiles currently participating in a world-wide hunger strike protesting human rights violations in Iran, this at a time when the United Nations representative, Mr. Pohl, is presently in Iran to investigate charges of widespread torture and execution of political prisoners.

Reportedly more than 90,000 Iranian political prisoners, including juveniles, have been executed in the past eight years. Last year alone one mass execution claimed the lives of 12,000.

Amnesty International wrote in its Iran briefing that "Iranian courts impose amputations and floggings as punishments—punishments which contravene human rights standards by their cruelty and inhumanity."

Over the past year, the advancement of personal rights and freedoms has been at the forefront of world news.

The 75 Canadian citizens of Iranian origin are pointing out that Iran is a country where human rights are virtually non-existent. They are in solidarity with political prisoners and the oppressed people of Iran. Their action should be commended, while at the same time the Canadian government must express in the strongest terms possible our grave concerns over the human rights violations in their homeland.

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[*Translation*]

POLITICAL SITUATION IN HAITI

Ms. Nicole Roy-Arcelin (Ahuntsic): Mr. Speaker, we heard with some consternation about recent events in Haiti. Political leaders, party leaders and journalists have been brutalized and deported without any regard for the most basic human rights and their rights under the Haitian Constitution. We are particularly concerned about these events because this government, coming after previous governments that had been compromised by acts of repression, had promised on a number of occasions that it would not only respect human rights but also work towards establishing a democratic government in this country by holding honest and free elections.

Mr. Speaker, our relations with Haiti and the size of the Haitian community in our country require us to be particularly attentive to developments in this country. That is why we appeal to the Canadian government to do everything in its power to ensure that minimum standards of safety and democracy are restored in Haiti as soon as possible.

* * *

[*English*]

FISHERIES

Ms. Mary Clancy (Halifax): Mr. Speaker, yesterday I stated in this House that an Atlantic fishing company faced economic disaster because the minister of fisheries delayed authorizing the company's application to lease an American vessel.

Today the news is even worse. The unofficial word—and we have had no official word—is that the minister has refused the application.

Also, today, Mr. Jim Redmond, a representative of S. Stewart Fisheries, the company attempting to lease this American vessel, flew to Ottawa to speak with the minister. His efforts have proven to be as fruitless as getting the lease authorization.

Every level of government has approved the lease, including the minister's own department, but the minister turned it down. The minister has approved the use of Soviet vessels to fish Canadian quotas but will not approve Halifax fishermen. He has approved Cubans and Russians to fish Canadian quotas but will not approve nine Canadians to fish their own quotas.

The word to Mr. Redmond and his crew is that they should get a Newfoundland longliner when what they have is an enterprise allocation for a dragger.

This minister's lack of understanding of the east coast fishery is beyond belief. It is not something that Nova Scotians and Atlantic Canadians can take any longer. We need some action, we need it today, and we need to send Mr. Redmond and his crew back to work.

* * *

AGRICULTURE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the prairie grain sector continues to suffer as a result of the ongoing subsidy wars between the United States and the EEC.

Projections now indicate a negative net income for Saskatchewan grain farmers this year. In other words, producers will not even have enough money to pay for the costs of operating a farm, let alone meeting their own family living expenses.

There is no cash flow in the grain growing areas at the present time. Many businesses in the villages, towns and cities which rely on farm customers are closing their doors.

Prairie farmers can compete very well against the rest of the world. They cannot compete against the treasuries of the governments of the United States and Europe.

Prairie grain farmers must have help in two ways. They require cash now in order to be able to seed a crop this spring. In the longer term they need a contributory long-term income assurance plan.

* * *

MEECH LAKE ACCORD

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, last Saturday at McGill University in Montreal over 150 business, academic and political leaders attended a colloque to express support for the Meech Lake Accord.

From the opening remarks of Bob Rae to the closing speech of Bob Stanfield, those present heard strong pleas for active support. Roy McMurtry spoke of the need for understanding and collaboration. Ed Broadbent recalled the 1980 to 1982 constitutional debate with all the concessions which were made, except to Quebec.

Gilles Remillard, Quebec's intergovernmental affairs minister, expressed the need for a strong, federal government. My colleague, the member for Shefford, spoke passionately of the importance of the accord for Quebec and Canada.

I was very encouraged and impressed by the commitment and the constructive approach taken by all participants.

The all day event ended with an unanimous resolution urging the first ministers and all governments of Canada to take the necessary steps to ensure the passage of the accord and to commit themselves formally to a process for further constitutional renewal.

* * *

• (1410)

VIA RAIL

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, 20 years ago as a young law student I was privileged to take VIA's train, The Canadian, westward to Vancouver to start a new life. Last week I was also privileged as a member of Parliament to be on the last Canadian to come east.

The Canadian has been running since 1955. It is the direct successor of the first transcontinental which pulled into Port Moody in July, 1886. It takes the southern route through Banff, Calgary, Regina, and back east. It is gone now. I have 40,000 petitions collected by passengers and workers on VIA Rail. I propose to give them to the Minister of Transport later this week.

I want to thank Jerry Doyle, MLA; Ed Tchorzewski, MLA; Gary Doer, our leader in Manitoba; and my colleague, the member for Winnipeg—Transcona for piggy-backing these petitions across the country.

It was a magnificent run—to wake up in the Rockies, to see the quiet, calm Canada. Our young people are going to miss that. This government has taken us from the last spike to the last straw. We have to start this train up again for young Canadians, not just for rich tourists.

* * *

[*Translation*]

ALITALIA AIRLINES

Mr. Vincent Della Noce (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, I rise in the House today to condemn Alitalia, which as a result of administrative restructuring and financial problems, may have to close shop in Montreal, transferring all its business to Toronto.

Thirty-two years after coming to Montreal, Alitalia may cancel its only weekly flight out of Mirabel and concentrate exclusively on its Toronto customers, which also means it might close its head office on Peel Street in Montreal, which has a staff of 100 employees.

This means Alitalia will abandon Quebec, Mirabel, Eastern Canada, the Quebec business community and an Italian community that is 325,000 strong, a community that is very active and has been loyal since the very beginning when there were up to seven flights weekly.

After a meeting in Rome with Alitalia executives and the survival committee, I realized that Alitalia sees Canada the way Jean Chrétien does: a Canada without Quebec! We won't stand for that!

I want to ask my colleagues, the Ministers responsible for External Affairs and Transport, to immediately review our bilateral agreements, which go back to 1972, and see whether Alitalia has always respected these agreements in the past, in Canada, and ensure that it undertakes to do so in the future.

[*English*]

EMPLOYMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, two months before the last election the West German firm Thyssen AG announced plans to build a $58 million manufacturing plant at Bear Head in Cape Breton.

This plant was to produce armoured personnel carriers and environmental equipment. Some 500 people would be directly employed and another 800 indirectly employed at this facility. What the company needed and was encouraged by the federal government would be forthcoming was an opportunity to bid on a contract to build armoured personnel vehicles for our Armed Forces. They are still waiting for this opportunity.

Meanwhile, skilled workers from my riding where the unemployment rate in 1989 was 17.7 per cent are forced to leave Atlantic Canada because there are no jobs for them; 17,346 Atlantic Canadians lost their job or suffered a work reduction since the November 1988 election. Defence cuts in Atlantic Canada alone mean that as many as 1,700 jobs could be lost.

Yet, while promising to slash defence spending in order to reduce the federal deficit, this government awarded last summer a $110 million contract sole source to General Motors in London, Ontario to build light armoured vehicles. The unemployment rate there was 4.4 per cent.

Where is the economic justice? When is the Prime Minister going to wake up to the fact that there is an economic crisis in Atlantic Canada and it is one of his government's own making? If his government is going to—

Mr. Speaker: The hon. member's time has expired.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, throughout the Christmas recess I talked to a number of my constituents in Sarnia—Lambton about the proposed goods and services tax.

For example, on January 9, I met with an attentive and inquisitive group of municipal contractors and suppliers. When the meeting began, the mood was one of simple opposition and a little apprehension.

Yet, as we talked and I answered a number of general and technical questions, the mood changed drastically. These representatives of both small and medium sized business developed a better understanding and appreciation for the GST system. Most now knew what would be taxed and what would not, what input tax credits could mean to their business in a positive way, what their filing requirements might be, and how the GST package minimizes their administration and compliance costs.

This is the type of discussion which should be occurring all across the country. The replacement of a tax system is not simple or straightforward.

Therefore it is essential that all members of the House, including those opposite, present their constituents with as much unbiased and pertinent information on the GST as possible. It is only from this type of knowledge base that Canadians can form a rational and informed opinion.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

On December 18 last in this House, the Prime Minister said that his government—and I am using his words—"would be assisting the Atlantic fishery and the communities affected as vigorously as we intervened on behalf of the prairie farmers". Those were his words at that time, just before Christmas.

No such program has been announced. All there has been is a certain recycling of money that would have been spent in any event had there been no crisis at all and no lay-offs.

Yesterday, the Prime Minister led everyone in this House and in the country to believe that there would not be any such program when he said that "there is no crisis in Atlantic Canada".

Why has the Prime Minister not kept his commitment to Atlantic Canadians? Why does he continue to break his promises to the less favoured areas of our country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend, I am sure, would be aware that with regard to the crisis in the fishery in Atlantic Canada we responded immediately to the lay-off announcements last month and earlier this month.

We brought forward a package valued at $130 million which includes programs of industrial assistance, a program for older workers and a Community Futures program. Areas selected for the special programs include Grand Banks and Trepassey in Newfoundland and Guysborough County, Nova Scotia, including Canso.

Among the available options in regard to the $130 million are small business development assistance for new entrepreneurs, skills training and relocation assistance. A Community Futures committee is to be set up in each community to assess their needs and select from an appropriate range of program options.

This is the first step in a series of initiatives that are required both internationally and domestically in co-operation with provincial governments, the unions and the industry to make sure that the crisis that does exist in the Atlantic fishery is dealt with in a comprehensive and I think a generous manner. That is what we did in other areas of the national economy such as agriculture, and we will do no less for the Atlantic fishery.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, why does the Prime Minister not recognize, as his Minister for International Trade has already admitted, that any subsidies accorded to the fishery in Atlantic Canada to meet this crisis would be countervailable as an unfair trading practice under the terms of the agreement signed between him and the President of the United States?

Will the Prime Minister explain to the people of Canada why and which subsidies are no longer possible as a result of his having signed that agreement with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the subsidies to which my right hon. friend refers have absolutely nothing to do with the free trade agreement. My right hon. friend knows full well that the reference is made to the GATT, which itself has the kinds of rules and limitations with which the right hon. gentleman ought to be familiar.

I point out to him, in regard to the kinds of initiatives that can be taken throughout Atlantic Canada that, for example, since February 15, 1988, ACOA has approved in Atlantic Canada 6,966 projects. It has committed $670 million in federal support and leveraged $1.8 billion in total investment, creating 18,000 new jobs in Atlantic Canada.

• (1420)

That is perhaps why this morning Premier Frank McKenna, the Leader of the Government of New Brunswick, said this, which I would like to put it on the record for my right hon. friend. I quote: "New Brunswick's economy is not in a crisis. Certainly we are having some short-term difficulty with the fish industry particularly and it's slightly softening the economy but it's not in a state of crisis".

This is the point that I have been trying to make. I believe it is a legitimate one. There is a very serious crisis in the fishery. There are other areas of Atlantic Canada where the progress is strong and certain. Let us keep building on those areas of strength and let us work with all to make sure that those in the fishery come out of this crisis.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that kind of smug talk is no consolation to the fishermen of Atlantic Canada.

I would like to quote another premier and his own Minister for International Trade when they ruled out government subsidies for fishing plants in Newfoundland because any such deal could be challenge by United States fish companies as unfair competition under the free trade agreement. Mr. Speaker, I continue in this vein.

[*Translation*]

One of the consequences of the Free Trade Agreement with the United States is that we can no longer ensure that the fish we catch are processed in our own plants. By giving up our right to levy an export tax, we have also given up our right under GATT to protect our processing plants. Will the Prime Minister finally admit that is the case?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is barking up the wrong tree. We are not talking about the Free Trade Agreement, we are talking about a regulation under the GATT. When it suits the Liberal Party, they tell us to follow GATT. When it doesn't suit them, they tell us to set aside the regulations of this international body. And I would like to conclude with this morning's CBC commentary on this particular point. I am quoting the CBC and not Premier McKenna. The CBC said this:

[*English*]

"Premier Frank McKenna says New Brunswick's economy is far from being in a state of crisis. He was responding to comments made during a debate in the House of Commons yesterday. Opposition MPs said the Atlantic provinces were in an economic crisis because of the collapse of the fishery. McKenna says there are problems but describing the situation as a crisis is going too far".

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I would remind the Prime Minister and the Premier, Mr. McKenna, that the ground fishery is in trouble and it is critical. It is a major problem of this government's making.

How can the Prime Minister stand there when 46 per cent of the value of a billion dollar industry is in trouble and this government does nothing? How can he say there is no crisis in the Atlantic provinces when so many people are out of work because the policy has not changed and the direction that he is giving Atlantic Canada has not changed? There is a crisis in the ground fishery.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member has made precisely the point that I sought to make yesterday. I was being howled down by her members, but now she agrees that indeed while there is a crisis in the Atlantic fishery, as I said yesterday, there is as Premier McKenna said no crisis throughout all of the other areas of industrial endeavour in Atlantic Canada.

It is important that Liberals stop saying there is a crisis, trumpetting gloom and doom thereby driving away investment that is coming to Atlantic Canada.

New Brunswick, for example, led all of the Canadian provinces last year in growth in investment, with a 24 per cent increase. There were substantial increases elsewhere.

Prince Edward Island has a balanced budget. There are good areas of economic growth throughout Atlantic Canada. Let us work together to make them better and let us resolve in a very serious and thoughtful way the crisis in the Atlantic fishery.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my supplementary question is for the Prime Minister. I say to him that this is a crisis in one sector. It is a renewable resource. This government has not improved on it since 1981. It was a $1 billion industry then, and it is still a $1 billion industry. When is he going to intervene and say that the policy he has taken on, that the private sector can handle this problem in the industry, is not effective? There has to be government intervention instead of whitewashing it and saying there will be help. This government is doing nothing.

There is no food on the table for people who are unemployed in Atlantic Canada. Come to Digby and talk to the people who were laid off last week because of this government's policy. Go to Lockeport. Go talk to the people.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there have been many improvements with respect to the Atlantic fishery since 1984, including the fact that the giveaway—

Mrs. Campbell (South West Nova): Name them. Name them in the ground fishery. Talk to the lobster people.

Mr. Riis: She said '81, John.

Mr. Speaker: The hon. minister.

Mr. Crosbie: Mr. Speaker, the hon. member believes that the Liberals have been out of power since 1981. Actually, it is only since 1984, although to them it appears like 1981.

One of the improvements made in the Atlantic fishery since 1984 has been the decision of the government to end the European communities taking 9,500 tonnes of northern cod from the area known as 2J3KL which was terminated. This giveaway of fish by the previous Liberal government has been stopped. That is just one of the many improvements made since 1984.

There is now a $130 million program in effect to assist those who may be laid off by the closure of plants in certain communities. As the hon. member will know, some of those communities have been given the notice of a year and a half in order to try to get ready for the consequences of a close down, including community

development funds and assistance for those who are over the age of 50.

An Hon. Member: Order.

Mr. Crosbie: I could go on, but somebody calls out "order" in the NDP. They never want to hear the good and positive side of anything.

* * *

[*Translation*]

ATLANTIC PROVINCES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Prime Minister.

Yesterday, the Prime Minister suggested that vocal concern about the economy of the Atlantic provinces was undermining investor confidence in the region. That is not the case. This government could not care less what happens to the people in the Atlantic region. As plants are closing down, these people are losing their paycheques, but what does the government do? It cuts unemployment insurance and regional development programs!

When will the Prime Minister go and see for himself what is happening and announce aid programs that will give these people a better future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government, as the minister indicated, has already announced a support program for workers in the Atlantic region. This is the first action we have taken, but we are talking about a $130 million program with several components providing direct aid to workers and their families as well as to the affected communities. There are other possibilities, both nationally and internationally, that the government can consider to improve the situation of fishermen in the Atlantic region.

In the weeks to come, we will probably be announcing a number of initiatives to improve the circumstances of these fishermen.

Mr. Speaker, yesterday, the Leader of the New Democratic Party said that the Atlantic region was in a state of crisis, which was categorically denied this morning by the Premier of New Brunswick, Mr. McKenna. I urge those deploring certain economic situations to avoid generalizing so as not to disturb investor confidence. We want to protect investment in the Atlantic region. We don't want to cause a panic.

I would ask the Leader of the New Democratic Party to help us create more jobs in the region instead of scaring away investors.

• (1430)

[*English*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I suggest that there is a panic situation for the workers in fish plants, for the fishermen, for the families in the Atlantic region. There is a crisis in the Atlantic region.

I remind the Prime Minister of a letter which he received from the Premier of Nova Scotia on December 22, 1989 where the Premier of Nova Scotia said on the first line: "The Atlantic fishery is in crisis. The fishery sector here is equivalent in economic importance to the auto industry in central Canada."

I visited Newfoundland and Nova Scotia.

Mr. Crosbie: Four hours.

Ms. McLaughlin: I talked to people in the fishing industry. I spoke to those families. Those people in Atlantic Canada have ideas. They have solutions. They have hopes and dreams, but they need help. I ask the Prime Minister to show that he cares. Is he going to go to the Atlantic and talk to these people in Newfoundland and Nova Scotia? This week or next week? These people want to know when the Prime Minister will show a personal interest in their future.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I often go to Atlantic Canada where I had the privilege of being educated and first elected to this House. On one of my many trips there I announced the creation of the Atlantic Canada Opportunities Agency, one of the most important instruments of growth and prosperity.

Some Hon. Members: Hear, hear!

Mr. Mulroney: On another trip to Atlantic Canada I announced the awarding of the frigate contract to Saint John shipyard, the largest federal contract awarded to Atlantic Canada since Confederation. On another trip we signed the Hibernia agreement which the Liberals and the NDP had opposed for 15 years. On another trip there I signed an agreement for the clean-up of the Halifax harbour. I will be going there again and again. Every time we go to Atlantic Canada we bring something

constructive and helpful. It costs the taxpayers but we believe in fairness and social justice. We will continue to do a lot for Atlantic Canada.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, we have one region in crisis on the east coast and others are beginning to crumble.

On January 18 Cominco announced the closing of the Sullivan Mine at Kimberly, British Columbia, leaving a town of 6,000 without a future. Cominco received $79 million in federal funds. Canadians want to know why their tax dollars are being given to corporations that turn around and give workers a pink slip.

What steps will the government take to ensure that Cominco is accountable for these public funds and how will it assist these workers who are out of a job today?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I remind the hon. member that when she refers to the Cominco smelter in Trail and the agreement that was signed between this government, the province of British Columbia and Cominco, that the NDP, including the unions, were saying that that deal was absolutely essential for the maintenance of the Cominco operations in the interior of B.C.

That Cominco smelter had one of the highest costs of production prior to that investment. Today it has one of the lowest world-wide costs of production. The situation now is that when you look at zinc prices, when you take a look at the ability to maintain jobs, that plant in Trail has been guaranteed into the next century.

With respect to the Sullivan mine, a meeting was held yesterday. All of us recognized that the Sullivan mine was going to close some time in the 1990s because of the ore body. Yesterday, as a result of the meeting which took place, and obviously it is regrettable in respect of Sullivan, the mine will be maintained in the sense that if zinc prices go up, Cominco can consider its reopening at a later date. If you keep on opposing the Trail smelter and the investment by this government in the future of B.C., those jobs will be lost as well. You should reconsider the policy which you have.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Prime Minister who yesterday indicated that he had received from the President of the European Community an offer which would deal with the Portuguese and Spanish overfishing. Will he now agree to table his exchange of correspondence with Mr. Delors? Can he tell us how the government plans to respond to Mr. Delors' offer? Does he have an undertaking that the European Community will abide by the NAFO quotas while Mr. Delors' offer is being pursued?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the very encouraging development that was referred to yesterday was that, breaking from past practice by the European Community, President Delors responded in a way that made it clear that there is the possibility of further progress to be made through negotiation.

As one more indication of the willingness of the commission, as a result of diplomatic activities undertaken by my colleague the Minister for International Trade and others to move forward on some of these issues, the Community is sending its commissioner responsible for fisheries, Mr. Marin, to Canada in the next several weeks. We expect to discuss matters with him then. Undoubtedly there will be the opportunity and there may very well be the necessity for a meeting between the Prime Minister and President Delors. If that is necessary to move forward Canada's interest in the fishery, the Prime Minister will certainly meet Mr. Delors and make our case very vigorously.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thank the minister. As he will know, this problem of foreign overfishing began in 1985. The figures will show that it is a matter that got out of hand since this government came into power because the Prime Minister refused to stand up to the Europeans. He let them walk all over us as a consequence.

Will the minister give a commitment? He is talking in fairly positive terms. Can he be specific and give a commitment to the fishermen and plant workers that as a consequence of this new dialogue with Mr. Delors, the foreign overfishing will be eliminated in the foreseeable future? If he cannot give that commitment, there will be no future for those plant workers and those fishermen.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is certainly our objective and that is certainly the position that we are putting to the Europeans in trying to get them to respect reasonable international regulation of fishing. We have made some progress on the matter.

I point out to the hon. member that developments that led to the movement of Spanish and Portuguese fleets into waters where they had not been before were not developments that occurred in Canada. They had to do with the decision of those countries to join the European Community and some of the consequences of that decision. I also want to make the point that one of the very positive decisions that was taken by this government was to stop the Liberal giveaway of 9,500 tonnes of fish.

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YOUTH PROGRAMS

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my question is for the minister responsible for youth. In the minister's absence, I will ask the question of the Minister of Employment and Immigration. The question concerns the future of this country, and in particular Canadian youth. It has been reported that this government will cut summer employment programs for students by almost 50 per cent. As the minister knows students' fees and costs have increased. How can the minister justify this action and block the major artery to Canada's future?

• (1440)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is important to note that the components of the Challenge program and its objectives are reviewed every year. The minister of state for youth and myself, and other members of this government, have been focusing on and have been very sensitive to a specific problem and that is the problem of high school dropouts.

As a result of that, the work orientation component, which is a program designed to address that particular problem, was increased by $8 million over 1988. When the minister of youth returns, he will have a definitive statement on the whole Challenge program for this year.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I would like to ask the minister if she can confirm or deny that this government plans to reduce the SEED program by approximately 43 per cent and funds allocated to the CECS by 30 per cent.

If that is true, how can the minister morally justify it? The students of this country would like an honest answer.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think the honest answer is that the unemployment among youth has gone down very significantly under this government, and is certainly much lower than it was under his government.

I would also like to point out that the kinds of training programs that we have for young people are much more effective in terms of their skill development and their ability to get jobs. With the government focusing on the high school dropout rate which is very significant, particularly in Atlantic Canada, the hon. member should be applauding.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the Gallery of a delegation to the Seventh Canada–Mexico Joint Ministerial Committee Meeting, including the Mexican Secretaries of Foreign Relations, Commerce, Tourism, Urban Development and the Attorney General.

Some Hon. Members: Hear, hear!

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FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, my question is for the Minister of Fisheries.

In 1989, Canada's quota for North Atlantic cod was set at 225,000 tonnes, almost double what was recommended by Canadian scientists.

For 1990, Canada's quota has been set at 197,000 tonnes, 1.6 times the level recommended by our scientists. In the name of sustainable development of our cod

resource, did the minister have any evidence to support these higher quotas, other than what the Minister for International Trade described as his "firm belief". Anything more than a hunch?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Indeed I did, Mr. Speaker. The hon. member knows that the methodology for determining the recommended allowable catch has a great range of uncertainty and the lowest level recommended by scientists has to do with the maximum rebuilding rate of the resource.

Dr. Les Harris, who has not yet given me his final report, suggested a quota for 1990 be nominally set at approximately 190,000 metric tons, and that represents a 26 per cent quota reduction from the quota I set only a year ago. As we can see in terms of the unfortunate events unfolding in Atlantic Canada, we have to be gradual, but we have to move toward the desirable conservation objective in these matters.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the minister discredits the evidence from our own scientists. Is he the least bit embarrassed about criticizing Portuguese and Spanish fishermen for overfishing quotas established by NAFO reps who are advised by our Canadian scientists, whose recommendations this government is so blindly ignoring?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member knows that the two situations are quite different. In the case of the overfishing by Spain and Portugal on the nose of the Grand Banks, they are fishing at a level 32,000 tonnes higher than the quota in that region, which was set by NAFO at zero.

When significant changes are required in Canadian quotas, with the full support of industry in the Atlantic provinces, we often cushion those changes over a period of one or two or three years. The hon. member is suggesting that we should have thrown thousands more workers out of work by closing the half dozen or dozen additional plants. This government is not prepared to take such a heartless decision.

[*Translation*]

CANADA POST CORPORATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the minister responsible for Canada Post Corporation.

In October 1989, northerners obtained from Canada Post a three-month moratorium on postal rate increases of 32 or 40 per cent or more for commercial shipments to the North. These increases were originally to take effect on November 13, 1989; the moratorium ends on January 31, 1990.

Last Friday, Canada Post Corporation announced, before the end of the moratorium, that a reduction of only 5 per cent would be allowed for foodstuffs and drugs sent to the North.

Mr. Speaker, my question is this: Can the minister confirm to me today that in so doing, Canada Post Corporation is not respecting its moratorium and that northerners will have no more fresh bread in the coming months?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as a result of representations from interested parties, including the hon. member last November, the post office indicated a 5 per cent decrease in the planned schedule for the northern air stage rates and promised a freeze until February 1.

My information is that that remains in place. In the meantime, the Department of Indian Affairs and Northern Development is undertaking to study the issue. It will be considering suggestions from all interested parties and by February 1 the following year, we will have appropriate policies in place. In the meantime there is a freeze in place.

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EMPLOYMENT EQUITY ACT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Employment and Immigration. Last week the Chairman of the Canadian Human Rights Commission was critical of the

Employment Equity Act and said that the results were far from encouraging. These remarks were repeated by the National Action Committee on the Status of Women and the Canadian Ethnocultural Council.

The Employment Equity Act was supposed to bring fair play in the market-place and in the labour force for visible minorities, women, disabled people and aboriginal people of this country. It has not been doing this. Under the circumstances, is the minister now ready to bring in amendments to the Employment Equity Act to ensure effective sanctions and to provide an enforcement agency for that law? Will she do that immediately?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, we implemented a law that had never been implemented before 1984. We received the reports for the second year and we all know that the legislation is to be reviewed in 1991.

I am following progress very closely and I intend to make any amendments that may be required during the year.

I must add that we have excellent co-operation from most companies with whom we work. Needless to say, changing attitudes takes a lot of time. Progress is gradual. This is an incentive. We strictly and scrupulously respect the sanctions provided and we will apply them.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, according to the government's own report, some of the worst performers under the Employment Equity Act are prominent national firms such as the CBC, Air Canada, the Royal Bank, the Canadian Ports Corporation, Imperial Oil, Bell Canada, the Canada Council and many others which have made no progress.

I want to ask the minister if she is happy with this record. If she is not, what is she going to do about it?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeated that I was not satisfied with the progress made and that I find it is still not enough. I also reiterated our intention to monitor the progress very closely as we are in the third year of the program. Major changes must occur; otherwise, political action will be taken.

• (1450)

EXTERNAL AFFAIRS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. For several months, observers of the political scene in Haiti have been warning Canadian authorities about General Avril. After a series of murders and basic rights violations, we now have a proclamation of a state of siege. Has the minister decided to ask the Haitian Ambassador to his office, to express the indignation of thousands of Canadians who have an interest in what is happening in that country, and what steps does the government intend to take to further progress already made towards democracy in Haiti? Will this government let itself be fooled by General Avril as it was by General Namphy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, all Members of this House are concerned about the situation in Haiti. As you know the government has suspended all bilateral discussions with the Haitian government on development aid, and it is now time for non-governmental organizations to step in. We are monitoring the situation in Haiti very closely. We shall be talking directly to the ambassador, to determine whether there are any options for Canada to do more than just express its position and whether we could in some way influence the situation in an effective manner.

Hon. André Ouellet (Papineau—Saint-Michel): I want to thank the minister for his answer, and in the light of what he just said, I have a supplementary for the Prime Minister.

Is the Prime Minister prepared to order his Minister of Employment and Immigration to cancel all planned deportations to Haiti and legalize the status of hundreds of these citizens who are now living in Montreal, not knowing whether tomorrow or the next day they will be deported to Haiti or if they will finally get landed immigrant status in a country where they were seeking a peaceful life?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I may remind the House that no one has been deported to Haiti since November. I agree the situation is very sensitive. I am monitoring the situation daily to determine what is best for Canadians and for Haitians in Canada. Our next step will be to review the situation with the Secretary of State for External Affairs and determine what our future course will be.

* * *

[*English*]

THE ENVIRONMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, in the absence of the Minister of the Environment, I would like to address my question to the Prime Minister.

On December 28 last year the Federal Court, for the second time, instructed this government to follow the laws of the land and conduct the proper environmental review process as it relates to the Rafferty Alameda Dam Project. While the government dithered, construction continued on the project. In fact, it is some 60 per cent completed now. Does the government not understand that the environmental review process was put in place in order to assess projects before they begin?

I would like to ask the Prime Minister this. When is this government going to take its own law seriously, revoke the licence and not allow any construction until after an environmental review has finished its inquiry?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, in the absence of the minister, may I reply to the hon. member. As he knows, the report has been given to the minister. The government has a period of 30 days within which to consider the report and to respond. This process is presently under way and due consideration has been given. I am sure the hon. member will be pleased with the government's response.

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, when the government finally decides to act, most probably the project will be finished. The Saskatchewan government is laughing at the federal government. The provincial minister responsible has said they have no intention of making major changes to the dam regardless of what the panel's findings are. In fact, the operating plants for the project call for indirect diversion of groundwater which is a clear violation of Section 12 of the federal licence.

Again I ask the minister if he is going to proceed with an environmental review panel. Will he tell the Saskatchewan government to cease construction until the panel finishes its report.

Hon. Frank Oberle (Minister of State (Forestry)): My colleague, the Minister of the Environment, intends to proceed in the exercise of his responsibility and will make his views and decision known. When he exercises this responsibility it will, of course, be implemented with the full force of his mandate and that of other departments of the federal government.

* * *

ROMANIA

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is to the Secretary of State for External Affairs. Although the situation in Romania has improved considerably, there is still some important issues that need to be addressed.

Canada has sold, through the AECL, the Candu nuclear power reactor to Romania. Canadians are appalled to know that ethnic Hungarian Romanians were forced to labour under dreadful deprivation at the Candu sites. Their human rights were deprived. How long has the Secretary of State been aware of this offensive situation and what steps have been taken to ensure that these human rights abuses have ended?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, like the hon. member, I was very disturbed when I first saw those reports and have asked that officials look into the matter and report to me. The initial reports talked about slave labour. Subsequent reports talked about the use of military conscripts. I am continuing inquiries into the matter to find out exactly what was happening. I think it is quite appropriate that the government and Parliament know how long what was happening was known by officials. I am inquiring into that as well and will keep the hon. member advised.

Mrs. Christine Stewart (Northumberland): Thank you for the response. However, there have been numerous reports that the breach of construction standards at the Candu sites have resulted in serious potential safety hazards and that on occasion Canadian supervision has been blocked. Should not Canadian support of this

project be discontinued until a report addressing the labour and safety conditions at the Candu sites is provided to the Canadian people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I understand the suggestion put forward by the hon. member, it is that in this time, shortly after a dramatic change of regime in Romania when that country is struggling not simply to open its way to democracy but also to put its economy on a strong base, we should act on the basis of reports that we have not been able to confirm or to deny, that we should act to cut off some of the economic development that is under way now. I think that on reflection the hon. member would agree that that would be an unfortunate way for Canada to proceed.

What we are doing is seeking to gather information that is reliable as to what went on, what safety standards there are now and as to what options are open to us. I am concerned about the matter. I was concerned about it when it came to my attention. We began inquiries and we are continuing them. As soon as we have information which merits action, we will take that action. I will keep the member informed.

* * *

TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister for International Trade. The recent U.S. decision under its Export Enhancement Program to subsidize American wheat sold to the Soviet Union flies in the face of Article 701(4) of the free trade agreement, which states that the Americans will take our export interests into account when deciding whether to subsidize exports to a third country.

Has the minister informed the United States government that it considers this undercutting of traditional Canadian export markets a violation of the free trade agreement?

• (1500)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we have informed the United States on many occasions that we believe this policy is counterproductive, not only contrary to the spirit of the free trade agreement though not contrary to any particular clause of the free trade agreement, but disruptive to the whole world trading system for wheat and grains. We have protested on many occasions. This is why we are supporting negotiations of the FTN to include agriculture under the FTN.

We are working on behalf of the Canadian exporters of grain so that these practices in the future will be blocked under the GATT. At the moment they are not. The United States says they are in competition with the European Community and they are determined to continue on until they persuade the European Community to drop their subsidy practices.

So, these two giants are clashing. The rest of the world is suffering. That is why we hope we will have the support of the members of the Official Opposition in our efforts to gain a successful Uruguay round of the GATT negotiations.

Up to date, all we have had is short-sighted criticism and picayune plucking away at our negotiations.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I know the minister did not read the free trade agreement. I wish he would read Article 701.4 which clearly states that this is in violation of the free trade agreement.

The government said that the free trade agreement would go beyond GATT. It would give Canada special consideration by the Americans. This latest U.S. export subsidy will likely drop the world price of wheat by 56 cents a bushel.

Will the minister not agree that his special relationship with the Americans is meaningless when it comes to protecting Canadian export interests? Will he not stand up for Canadian wheat farmers and demand that the U.S. withdraw this unfair trade practice—

Mr. Speaker: I think the hon. member has put his question.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Canada—U.S. Free Trade Agreement applies to exports from Canada to the United States and exports from the United States to Canada. These wheat sales are exports from Canada to other countries in the world or exports from the United States to other countries in the world.

The Canada—U.S. Free Trade Agreement does not apply directly to those exports. They come under the GATT. Our hope to stop these dangerous subsidy practices lies in the GATT. That is why we are members of the Cairns group. That is why we are fighting for the Canadian farmer to achieve a successful resolution in the Uruguay round.

* * *

FISHERIES

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, on December 8 last year, I asked the Secretary of State for External Affairs to assist two Canadian fishermen whose boats were seized by the U.S. Coast Guard in Canadian waters south of the AB line on the Alaska boundary.

In my discussions with the minister's office, they have recognized that there is some Canadian obligation to assist these fishermen but because the message was relayed by Fisheries, that that obligation is shared by the Department of Fisheries.

These fishermen are facing the loss of the $50,000 bonds they posted with the American government, they are facing the loss of the value of their catch and they are facing an expensive legal process in Alaska.

My question is directed to the Minister of Fisheries. When is he going to accept his responsibility to assist these fishermen and when is he going to make the announcement that that support is available?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am well aware of the petition raised by the hon. member on behalf of the two fishermen, the owners of the *Fonzie* and the *Viscount*, which were apprehended by an American Coast Guard vessel for an alleged infraction north of or within the U.S. coastal waters, outside of the recognized Canadian boundary.

There is some ambiguity as to whether the vessel was beyond Canada's jurisdiction. However, I continue to work with my colleague, the Secretary of State for External Affairs, and other colleagues in cabinet, to seek some form of restitution or assistance in aid of these fishermen.

S. O. 52

POINT OF ORDER

STANDING ORDER 52

Mr. Speaker: I want to advise hon. members that pursuant to a discussion earlier today, commenced by a point of order by the hon. member for Ottawa—Vanier and followed by interventions on both sides of the House, it was agreed that the House would deem certain applications for emergency debates which came to my attention for consideration yesterday and which were not heard because the government had moved to Orders of the Day, to be in front of the House today and I, as a consequence, am responding to them now.

I point out to hon. members that this was done by arrangement and whatever was done is not to be taken as either a judgment on the point that the hon. member for Ottawa Vanier raised or a precedent. I will deal with the intricacies of the procedural matter that the hon. member raised at another time.

* * *

MOTION TO ADJOURN UNDER S. O. 52

RAFFERTY–ALAMEDA DAM PROJECT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise pursuant to Standing Order 52 to seek an emergency debate on a matter of pressing concern, namely the Rafferty–Alameda dam project in Saskatchewan and the disregard of environmental guidelines as found in the Federal Court decision of last month.

The court ruled that the environmental impact study ordered by the environment minister last year was flawed and incomplete. The judge ordered that the minister name a new panel to study these projects within 30 days. That has not been done. Meanwhile, construction continues, in some cases on a 24–hour per day basis, changing forever the landscape of Saskatchewan. The dam is now 60 per cent complete.

When the minister allowed construction to continue last August, he did so on the basis of a flawed study, yet he has not stopped construction. I submit that here we have an emergency not only in terms of substance, that is to say that the environment of Saskatchewan is being forever altered, but also in terms of environmental procedure; that we are in danger of setting a precedent that a project can proceed to completion while a review is going on. That is an emergency with respect to

environmental due process in this country and we are entitled to debate it.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order. This is the first of one or two requests for an emergency debate. I would request that the Standing Orders be enforced and that the submission be made and that there be no debate. Otherwise, we are at a complete disadvantage on the government side. We may wish to respond. We do not. We respect the rules and we ask the hon. member to respect the rules.

SPEAKER'S RULING

Mr. Speaker: The hon. Minister of Justice raises a matter which has been raised before. Hon. members know what the practice is and as your servant, I must apply it.

The matter the hon. member for Winnipeg Transcona raises is clearly an important matter. That was evidenced earlier today by questions put by the hon. member for Regina—Qu'Appelle and the answers by the minister who was acting today for the Minister of the Environment.

I say it is an important matter for some of the reasons that the hon. member put forward but I am not satisfied that today is the day to proceed to an emergency debate.

ATLANTIC CANADA FISHERY

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, pursuant to Standing Order 52, I too ask leave to move the adjournment of the House for the purpose of discussing a very urgent and serious matter, namely, the escalating crisis in the cod, lobster, snow crab and herring roe fishery in Atlantic Canada, a crisis characterized by the numerous shutdowns of fish plants, loss of jobs and the subsequent closing of entire communities.

[*Translation*]

Mr. Speaker, it is quite obvious that the government has not yet understood the real dimensions of the crisis, and we would like to have—

[*English*]

Mr. Speaker: I would ask the hon. member to consider his remarks carefully. I think this was the very objection that was taken. There is no need for an argumentative presentation. I have the facts. I also thank the hon. member for presenting me with a very clear letter indicating the situation. If the hon. member would like to close off his remarks, I will hear him.

[*Translation*]

Mr. Robichaud: Thank you, Mr. Speaker. We would just like to have an opportunity to raise the issue and show the real dimensions of the crisis and its effects on families and communities in Atlantic Canada. Thank you very much, Mr. Speaker.

SPEAKER'S RULING

Mr. Speaker: Again, the issue is very important. Of course, all hon. members in the House of Commons are well aware of the serious crisis affecting Canadians who live in the Maritimes. Yesterday and today as well, there was much discussion on it and probably there will be even more in the coming days. However, I do not think it is necessary today to decide on an emergency debate. I would remind hon. members for their information that immediately before the Christmas break, there was an emergency debate. It may not have dealt with all the subjects raised today by the hon. member, but it certainly touched on the overall situation.

I will follow developments every day this week and also in the weeks to come, but for now, I do not see the need to accede to this request.

• (1510)

[*English*]

FAMINE IN ETHIOPIA

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise today to ask for an emergency debate on the situation in Ethiopia.

The famine in Ethiopia is again reaching crisis proportions with an estimated four million people at risk of starvation and the effects of the drought in Eritrea and Tigre are daily growing worse.

This situation is aggravated by a long-standing war in the region. The severity of this famine is not well understand in Canada, and perhaps for this reason, Canada has not yet provided its characteristic ready response to this international distress.

For this reason, I am asking for an emergency debate so that the Canadian public can once again be informed of this situation and the political and environmental

aspects of it so that the Canadian public will be educated and will then be able to respond.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Saanich—Gulf Islands has raised a matter which of course is a serious matter internationally and for Canada. However, there may well be opportunity for the hon. member to raise the matter further within a short period of time, and without taking away for one minute the seriousness of the matter, I find that it would not be appropriate to proceed today with the debate.

[*Translation*]

FISHERIES IN THE ATLANTIC PROVINCES

Ms. Audrey McLaughlin (Yukon): Pursuant to Standing Order 52, I, too, ask leave to move the adjournment of the House for the purpose of discussing a very urgent matter.

The deteriorating fisheries industry on the east coast has created a serious economic crisis in that region.

[*English*]

There is every indication that further reduction in fish catches may be required, a reduction that will result in even more lay-offs, more plant closures, and greater unemployment, especially in Nova Scotia and Newfoundland. Coupled with other recent cut-backs to employment programs and unemployment relief, this surely will result only in a further decimation of the Atlantic community.

For that reason, I would respectfully request the adjournment of this House to have an emergency debate on this important issue.

[*Translation*]

SPEAKER'S RULING

Mr. Speaker: I want to thank the Hon. Member for Yukon and Leader of the NDP (Ms. McLaughlin) for her comments, but I believe I must give her the same answer I gave the Hon. Member for Beauséjour.

[*English*]

In saying that, again I remind hon. members and the public watching that this entire subject is obviously one of very grave importance to the country and to the region. It is presently being debated, yesterday and today, very vigorously, and again I remind hon. members that there was an emergency debate immediately before Christmas.

However, I say to the hon. leader of the New Democratic Party that, as I assured the hon. member for Beauséjour, I shall of course pay attention each day and be watching events carefully.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

MOTION RELATING TO A GOODS AND SERVICES TAX

Hon. Otto Jelinek (for the Minister of Finance) moved that a Ways and Means motion relating to a Goods and Services Tax, laid upon the Table on Monday, January 22, 1990, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 169*)

YEAS

Members

Andre	Attewell
Beatty	Belsher
Bernier	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clifford	Cole
Cook	Cooper
Corbeil	Côté
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dobbie	Domm

Dorin
Edwards
Fee
Fontaine
Gibeau
Greene
Gustafson
Hawkes
Holtmann
Hudon
James
Kempling
Landry
Layton
Lewis
Lopez
Marin
Masse
McCreath
McDougall (St. Paul's)
Merrithew
Moore
Nowlan
Paproski
Plourde
Pronovost
Reimer
Robitaille
Schneider
Shields
Sobeski
Sparrow
Tétreault
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Duplessis
Epp
Ferland
Fretz
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Koury
Langlois
Leblanc (Longueuil)
Loiselle
Malone
Martin (Lincoln)
Mayer
McDermid
McKnight
Monteith
Nicholson
O'Kurley
Plamondon
Porter
Redway
Richardson
St-Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—121

NAYS

Members

Allmand
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Boudria
Caccia
Campbell (South West Nova)
Comuzzi
Dionne
Fisher
Fontana
Fulton
Gardiner
Gray (Windsor West)
Guarnieri
Harvard
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
Manley
McCurdy
Mifflin
Mitchell
Nystrom
Parent
Althouse
Angus
Assad
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Butland
Callbeck
Clancy
de Jong
Ferguson
Flis
Foster
Gaffney
Gauthier
Grey (Beaver River)
Harb
Harvey (Edmonton East)
Hunter
Karpoff
Kilger (Stormont—Dundas)
Laporte
MacAulay
Maheu
Marleau
McGuire
Milliken
Nault
Pagtakhan
Peterson
Phinney
Proud
Robichaud
Samson
Skelly (North Island—Powell River)
Stewart
Taylor
Wappel
Young (Gloucester)
Pickard
Riis
Robinson
Simmons
Speller
Stupich
Waddell
Wood
Young (Beaches—Woodbine)—80

• (1600)

[*English*]

Mr. Deputy Speaker: I declare the motion carried.

* * *

BUSINESS OF THE HOUSE

Mr. Cooper: Mr. Speaker, I rise on a point of order. I wish first to advise the House that there have been discussions among the three parties and tomorrow will be designated as an allotted day.

Further, I believe Your Honour would find unanimous consent for the following motion:

> That the order for second reading and reference to a legislative committee of Bill C-52, an act to amend the Income Tax Act and related acts, be amended to read "second reading and reference to the Standing Committee on Finance".

Mr. Deputy Speaker: Does the hon. member have leave to introduce the motion by unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-52, an act to amend the Income Tax Act and related acts, be read a second time and, by unanimous consent, referred to the Standing Committee on Finance.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to address the House on Bill C-52, the retirement savings legislation.

I believe in pension reform and I strongly believe that older Canadians who have contributed to Canadian society through their hard work and child-rearing should have the best pensions that our society can afford. However I do not see any progress toward that kind of pension reform in this legislation. I have read it, and it is

complex. One thing is clear, though: it does benefit only the wealthy.

This is a bill that rewards upper income Canadians. What we want to see is pension reform that benefits all Canadians. This bill proposes to provide the greatest assistance to those at the upper end of the income scale. Someone earning $20,000 a year would get an annual RRSP break of about $1,200. Someone earning $86,000 a year would get a tax break of $7,500.

One clever newspaper editorial in a Toronto paper said:

> We agree that everyone should be treated equitably, but we don't accept Wilson's fundamental premise that the taxpayer has an obligation to help the wealthiest Canadians maintain their lifestyles in retirement especially since they have the means to do so without government help.
>
> Wilson's proposal, when fully implemented, would drain an estimated $300 million a year from the federal Treasury, which Wilson has previously said, on numerous occasions, is stretched to the limit.

This piece of legislation will cost the public Treasury $300 million. At the same time the finance minister keeps whining about financial restraint. He uses financial restraint as the excuse to attack our social programs.

If he suddenly found $300 million kicking about, why not put it into the Guaranteed Income Supplement? That would allow Canada to give $30 a month more to the more than 600,000 elderly, widowed and single women who have no other source of income and who are living below the poverty line. Thirty dollars a month does not sound like much, but it can mean the difference between having to rely on charity and being independent for many widowed and single older women.

This legislation has serious consequences for those Canadians who were unable to save for their retirement because of other spending commitments such as raising children or simply because they could not afford to put money away.

Taxation statistics show us that a majority of people making over $50,000 a year contribute to RRSPs. The percentage of tax filers who do contribute to RRSPs is shown to be directly proportional to their income levels. RRSPs can provide a supplement to retired incomes, but we cannot rely on RRSPs alone to provide an adequate pension income for most Canadians.

The route the government is taking on pension reform is really very disturbing. It is leaving those who are most needy out of this discussion altogether. It is ignoring middle income earners. This is the third step this government has taken after attempting to deindex pensions, after the successful clawback of pensions, toward the privatization of our pension system.

This move will leave poor seniors, and especially older women, with even less income than they currently have. It is no coincidence that the changes dealing with the tax treatment of retirement savings were introduced in conjunction with the proposal to deindex Old Age Security. The deindexation would have cost Canadian pensioners $255 million in 1986 alone.

What the finance minister is attempting is to privatize our pension system completely. This government has already tried to deindex pensions. It failed because of overwhelming opposition from seniors working actively in lobby organizations and groups right across this country, and from the opposition of the New Democratic Party in the House of Commons. That was the first attack this government made on our pension system.

The logic behind that, and this move that we see before us today, is to force Canadians to rely solely on their own savings for their retirement. There are many seniors, women who have spent most of their lives as homemakers, who do not have such savings. This does not make their contribution to Canada any less.

Canada owes them a decent standard of living in their old age. Many of these women are from a generation where the most common thing was for a woman to stay and work in the home. These women come from a generation in which there were more children per family. It was hard work, especially without the kinds of services and amenities that we have today. It is unfair to turn our backs on these women now and say: "You are on your own".

Canadians who have worked all their lives at low wage jobs do not have much savings or opportunity for savings. It is hard enough to live on the minimum wage, let alone put money away for a retirement savings plan. Any savings that middle income earners and lower income earners have go into their children's education. These

hard working people are not going to benefit from this legislation at all, whereas the finance minister himself will. He already has a fat pension and wants to see it grow even fatter.

I am horrified to see what this government is doing to our country. It is even more horrifying to note that these same pension amendments were first proposed by the Liberals in 1982. It shows us that the Liberals have no alternative vision of the pension system in our country. They really are just Conservatives dressed up a little differently.

The wolf in sheep's clothing can fool some of the people some of the time, but sooner or later people are going to examine the Liberal record and discover a mirror image of the Conservative plan.

• (1610)

A real alternative to relying on RRSPs as pension income is an expansion of the public pension system. We need to provide an adequate retirement income for all of those who have salaries too low to tuck away $15,500 a year every year into an RRSP. That is the total salary for the year for some people.

In the retirement years there are also additional health expenses. With this bill, wealthy Canadians will be better able to meet those additional expenses. Poorer older Canadians will be left on their own. Where is the pension reform that will benefit all Canada's people equally?

RRSPs can be an unreliable source of pension income. They are vulnerable to stock market fluctuations. People could be putting hard earned money aside each year only to have its value decrease. Most people cannot afford to put aside the amount of money from their salaries into an RRSP that it would take to guarantee a totally adequate pension income.

Wealthy Canadians use RRSPs mostly as a tax shelter. It really has very little to do with retirement. Already a tiny minority of people in this country own 20 per cent of all the income in Canada, they derive 27 per cent of their taxation benefits from tax deductible contributions to RRSPs. They do so at the expense of middle and lower income Canadians who pay for these deductions through higher and higher taxes. Is this part of what the GST is meant to compensate for? Only a Conservative government could come up with pension legislation that increases ordinary people's subsidization of the lifestyles of wealthy Canadians.

There are people in this country who are sleeping on the streets and who have to rely on food banks to sustain themselves. This government proposes not to help them get back on their feet, but to ensure that the rich can afford to maintain a Mercedes until they are 90. This government's priorities really are ludicrous.

How does the finance minister sleep at night knowing that the pockets of ordinary Canadians are being robbed to support the wealthy? I am starting to believe that having your soul removed is a prerequisite to joining cabinet.

New Democrats believe that all Canadians should have equal opportunities to plan effectively for their retirement. In my constituency seniors are an active and important part of the community. Century House is a centre for seniors that puts on innovative programming and reaches out into the seniors community and the community as a whole.

Some seniors find themselves hindered from full participation in the community by poverty. This bill will not help them or other middle or low income Canadians when they become seniors. This bill does not address the pension-related concerns of people in New Westminster and Burnaby.

My constituents of pre-retirement age want to know that they will have enough to live on comfortably when they retire. Older constituents want to know that now. They do not want to subsidize the lifestyles of rich Canadians. They want a good, fair and equitable pension system.

I have serious concerns about the implications of this bill for women. This legislation does not address at all the pension needs of women. This bill just gives rich people a bigger tax break for contributing to an RRSP. Only 16.5 per cent of female taxpayers contributed to an RRSP in 1987, compared to 24.1 per cent of male tax filers. This figure even misrepresents the number of women who contributed to RRSPs because it only counts women who actually file tax returns. Poor women who do not file tax returns are not included in these figures. The vast majority of women, even the vast majority of women who do file tax returns, do not contribute to an RRSP.

If one looks at the gender distribution of RRSP contributors, a significant inequality emerges. In 1987, 39 per cent of the total number of RRSP contributors were women. They contributed 32.8 per cent of the total value of RRSPs. In the same year, men made up 61 per cent of the contributors and held 67.2 per cent of the value of all RRSPs.

Not only are most RRSP contributors men, but as contributors they are able to contribute more. Conservatives say: "Well, why don't women just get their act together and contribute more?" The answer is they cannot. Women make up the majority of the poor in this country. Women cannot take the food out of their children's mouths in order to put money away for an RRSP.

As usual, this government is trying to put legislation in place that benefits only the rich, and in this case rich men. This new legislation places restrictions on the splitting of RRSPs by disallowing the transfer of RRSP retirement income to a spousal RRSP or RRIF upon marriage breakdown, except where the annuitant's RRSP was amended before 1990 to provide for the transfer.

This bill includes no regulations to tighten the rules governing spousal RRSPs so that women will actually see these funds at retirement. Spousal RRSPs are often simply used as a tax shelter.

The 1983 parliamentary task force on pension reform was told by the National Action Committee on the Status of Women, by the *Fédération des femmes du Québec*, and the Canadian Advisory Council on the Status of Women, that the most important reform for older women of the future would be to expand the Canada and Quebec pension plans. The task force report ignored this good advice. The New Democratic Party minority report agreed with the women of Canada.

Contributing to an RRSP is a luxury that most women cannot afford. Instead of having poor women subsidizing rich men with their taxes while rich men get huge tax breaks, the New Democratic Party proposes a freeze on existing RRSP contribution levels, a major expansion of the Quebec and Canada pension plans and a significant boost to the universal pension system.

A disproportionate number of native people live in poverty. Elders who have spent most of their working lives outside the cash economy do not have CPP or private pensions to fall back on. They did not have money to put aside in an RRSP. They rely on the public system, one that is failing them.

We must enact alternatives to this bill now. We must have real pension reform now. It is economically unsound to keep handing money to the rich. It is morally unsound to make ordinary Canadians subsidize the rich. I urge all members to engage in discussion about real pension reform and leave this bill in the back room where it was created.

[*Translation*]

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Mackenzie—Agriculture; the hon. member for New Westminster—Burnaby—Emergency measures; the hon. member for Thunder Bay—Nipigon—VIA Rail.

[*English*]

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I listened with interest to the introduction of this bill by the minister. I noted that in his presentation he made a point of saying that it could be or should be—I am not sure which he said now—revenue neutral. I do not know if he used those words, but his point was that he hoped it would not cost the government anything nor would it bring in any extra revenue.

We are faced with increasing concerns from individuals and from organizations clear across this country. The GST legislation has increased the concern about this. With the other increases in taxes there is a feeling that governments have to start controlling their expenditures.

For the government to bring in a measure such as this and say that after all this work, after all this effort, we are going to be revenue neutral is not what the people of the country are looking for. The arguments have been made by my colleagues and by others in the House that it is helping the relatively well-off, compared to those who are not well off, to those at the bottom of the income scale or even those with no income at all.

• (1620)

The government may argue that that is not the desire, not the intent, not the plan, but it is not able to argue with the figures that are being presented by the members of the opposition, members of the New Democratic Party in particular, that it is helping those who are well off at the expense of those who are not doing well at all.

That is not good enough either. Whether they are totally correct is not the point. The point is the public perception right now. The public perception right now is that the government should be cutting down on expenditures. Whether they are direct expenditures or whether they are indirect, forgoing revenue does not really matter to the public. They want the government to show some example. If the deficit has to be brought under control, the government has to take charge of things. To bring in a program such as this one, which as I said earlier is revenue neutral, is certainly not doing the job.

The government is saying that it is closing doors so that people who have been able to take undue advantage of the RRSP program will not be able to do so any more. That is one of the purposes of this legislation. I am not sure whether the government has done that job well or not, but had it done that job well and stopped there, it would have done something that from the point of view of public perception would be progress. The government would, according to its own figures, be saving a revenue expenditure of some $350 million. That may not be much in the terms of a $35 billion deficit, but it is nevertheless going in the right direction. I think this could have been applauded by the public as a whole.

At the same time to bring in a new giveaway program that is not helping those at the bottom of the scale, that is not helping those in the low and middle areas of the scale but is helping those above that, is again going against what I feel the public, certainly the voters in my riding, want. It is going against, I would suggest, Mr. Speaker, what the voters in your riding want.

They want us to be helping those who are most disadvantaged. They want us not to be increasing the deficit. They want us to take control of the deficit and indeed reduce it. They want us not to bring in programs that are revenue neutral, but programs that will be revenue positive at the expense of those in our country who are most able to pay the costs of it rather than try to get more out of those who are least able to pay the cost.

People have been saying that you would have to earn $86,110 or at least have that amount of income related to the RRSP before you could claim the maximum of $15,500. That is all very well, but it is indexed. This is one place where it is going to be fully indexed to increases in wages and salaries. In all other programs through which the government is giving money to those least able to survive in our country, it is only partially indexed. I do not know of another program that is indexed so closely to increases in wages and salaries as is the program being described in Bill C–52.

Once again, I would suggest, we are going contrary to the wishes, the desires, and the hopes of the people that we are supposed to be looking after in this country.

We are limiting the assistance to high income taxpayers. That is not what we should be doing. The existing dollar limits are being increased. That is not what we should be doing because it is costing the government revenue. It will eliminate opportunities for excessive or unintended tax deferrals. That is a move in the right direction, but we should not have found some way of giving the revenue that the government is getting by eliminating these schemes to those who need it the least.

The reform should result in no net revenue. On the contrary, the reform should bring in more revenue and that is what the program should have been designed to do.

I suppose the real quarrel we have with this is that it is pushing people into the laps of those who are providing private pension plans as opposed to government plans. We have argued for years that the old age assistance plan is not sufficient. We should be putting more money into that. We have argued for years that the guaranteed income supplement is not sufficient.

The Canada Pension Plan, which is contributed to by workers, employers or by self-employed individuals, is a good plan from the point of view of where the money is being invested. It is a good plan from the point of view that it is building up pensions for people in Canada, but it is deficient in that the amount of the pension is

insufficient to maintain people at any kind of standard of living afterward.

Why not beef up the Canada pension program available to everyone in Canada who has any kind of an income from their places of employment? That is a direction the New Democrats could have and would have supported quite willingly and happily.

I think it is a program that the people of Canada would have supported. It would have been revenue neutral as well, but it would have been bringing the money in from the people of the country, from their employers and from self-employed individuals. It would be building up a fund that in turn would be invested in Canada in projects under the control of governments in Canada, as opposed to encouraging people to invest in shares in trust companies or insurance companies which might be investing the money anywhere in Canada, or indeed might be investing some of it outside Canada in projects that the people of Canada might not be happy about and might not support at all, but certainly projects beyond the control and influence of the federal government or of any government in Canada.

Once again, we are pushing people into supporting and participating in private plans rather than Canada or Quebec Pension plans which have had a long period of time to show how good they are, how well they are managed and how successful they are. We have not been improving those, beefing them up or putting more money into them so that all people would have a pension plan from which they could draw when they started drawing their pension and to which they may contribute while they are working, which is the proper way for Canadians to have been accumulating pension plans and for the government to have been controlling them.

Instead an editorial entitled "RRSP changes benefit wealthy", which goes back to the first announcement of the changes to the RRSP program, says that the program is so complicated that people will have to wait until Revenue Canada tells them how much they can actually put in.

We are supposed to be simplifying the tax system. Well, come on. The last time we simplified it a couple of years ago, the percentage of people who were going to professionals to get their tax returns completed increased by about 20 points, as I recall. Each time we simplify it we seem to push people into the hands of professionals. I have nothing against professionals doing income tax, but obviously we are going the opposite direction from that of simplification.

The government itself admits that we will have to wait for it to tell us what our maximum contribution to RRSP can be. There is no way we can figure it out ourselves. We have to wait for the government computers to get around to doing it and to get around to letting us know, when they they are able to, just how much of a contribution we can make.

Simplification? It is the very opposite of that. A fair pension plan? It is the very opposite of it. A fair way of taking money out of the economy, by taking it from those in the lower income brackets and giving it to those in the higher brackets? It is the very opposite of a fair plan in every way imaginable except that the government is continuing to look after the needs of the most well-off in our community, as it has with many other programs and most other pieces of legislation the government has been bringing in.

In every way by which a fair system can be measured and in every way by which we can be properly looking after the needs of the people in our country and being fair to the people of our country, this government is failing the people of Canada. This government does not deserve the support of the people of Canada.

There can be little doubt that the public opinion polls we have seen on many issues are totally correct when they say that the government has lost a significant measure of the support that it had just 16 months ago from the people of Canada as evidenced by a general election. The government has lost that. It has thrown it away, frittered it away, and it is continuing to do so by bringing in programs that are contrary to the needs, wishes and desires of the people of Canada.

There is no way that New Democrats can support the legislation in its present form before this House.

• (1630)

Mr. Fisher: I would like to congratulate the member for Nanaimo—Cowichan for a very fine speech and an extremely good analysis of the situation as it seems to be developing in respect of the government's programs. It does not seem to matter which program you talk about

because, for the ordinary people of Canada, these programs have nothing but negative connotations.

There were some references to privatization, and I thought they were most apt, especially in light of the fact that the minister who was described yesterday as shepherding this legislation through the House is also the minister responsible for privatization.

One of the previous speakers mentioned the number of homeless people in Canada. I would remind members of the House and all Canadians that it was this very same gentleman who, a couple of years ago when he was Minister of Housing, said that the homeless in Canada were homeless because they wanted to be and that if they really wanted shelter, they would certainly be able to find it. If they did not have shelter, it was their own fault.

The question I would like to ask my colleague from Nanaimo—Cowichan is something along these lines. He made reference to government revenue and said that whether it is given away in grants, gratuities or not collected it is still lost revenue. I wonder if the member could expand on the idea of revenue not collected contributing just as much to the deficit as money which is given away.

Mr. Stupich: Mr. Speaker, if I may just say to begin with, when the minister spoke about this and said that it could or should be revenue neutral, he was certainly falling far short of saying that it "would" be revenue neutral. He obviously does not know at this point in time. On previous occasions we have had the Minister of Finance tell us that certain legislation was going to be revenue neutral only to find out that by his own calculations he was out about 25 per cent. Thus I have no confidence at all in this particular piece of legislation being revenue neutral.

The legislation before us talks about the different ways in which the government is closing loopholes. Every time it closes a loophole which would allow someone to get away with putting more money into an RRSP than the legislation originally intended, what the government is doing is allowing that person to reduce his or her taxable income and thereby reduce his or her income tax for that year.

The government might say later on that it is going to catch up, when the person starts drawing the pension he will pay tax on that income that was deferred and on anything that the deposit has earned in the meantime. By then, in all likelihood, the person will have retired or at least be in a low-income position. The person might through some adversity have to start drawing those RRSP funds out earlier. A person would not do that unless he was in a lower-income position, at which time he would have to pay tax at a lower rate.

The GST might catch up with him and the government might get back at him through that method. But I do not think the plan for the GST was to catch up on people who are avoiding paying income tax at lower income tax rates in earlier years. Some of the loopholes are described in the papers that I have before me, but in general that is it. Whatever the scheme, whatever the method, it is to reduce taxable income by putting money into an RRSP in one year and then reporting that income some year down the road, hopefully at a lower income tax rate for the person involved, and hopefully by sharing it with others. There are various methods of paying it. It is to reduce that person's income tax rate in the current year and that costs the government money.

Anytime you reduce a person's taxable income by allowing him or her to get away with paying less on income that year, both the federal and the provincial governments lose tax revenue for that year. According to the government's own figures, and it has talked about a difference of $350 million, it says that people have been avoiding paying income tax to the extent of $350 million because there have been these tax expenditures that they have been able to push ahead for future years and have put into RRSPs, thus avoiding paying tax to the extent of $350 million. That means revenue in the neighborhood of $1 billion, if they are able to push into future years. That is the kind of thing I was talking about with tax expenditures.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Beaches—Woodbine.

Mr. Young (Beaches—Woodbine): Mr. Speaker, I have a question for the hon. member. You may not be aware of this but the hon. member was a Minister of Finance in the New Democratic Party Government in British Columbia a few years ago. Listening to his speech and the responses that he has given to the questions, his expertise in this area shows very clearly.

I want to follow up on the previous question and the response. We have known for years that there are kinds of money charged to middle and low-income earners every time a tax break is given to the well-off. We made as a major issue during the 1984 election campaign and also the last one the need for real tax reform.

It is very difficult for average Canadians, let alone parliamentarians, to grasp the complexities of the pension system. It is even more difficult to grasp the complexities of the tax system. When people take a look at the Income Tax Act I have heard many of them say that you have to be a Philadelphia lawyer to understand it. Even then, many of those have difficulty understanding it.

The question I want to ask is this. Surely to goodness in being fair to Canadians the government should clearly show how much it is costing middle and low-income taxpayers by making these kinds of tax benefits available to the wealthy in society. Surely it is time again to produce as a part of the financial documents that we receive from government a tax expenditure account, the item that was referred to by the hon. member.

I wonder if he could explain in the few minutes we have left exactly how that would show average Canadians how much it is actually costing them in increased taxes because someone else is not paying their fair share. Perhaps he could take a few minutes to tell us about that.

The Acting Speaker (Mr. Paproski): The hon. member has two minutes in which to respond.

Mr. Stupich: Mr. Speaker, that is one of the things that the provincial ministers of finance are very interested in. Every time the federal government involves itself in another tax expenditure and reduces the income tax revenue it is also reducing it for the province since the province gets a percentage of the federal tax revenue. It is a real concern.

I can recall one budget in British Columbia where the Minister of Finance did introduce budget papers that showed the cost to the government in forgone revenue for many different programs in which the government was involved. I have only been here one year and I have not had a chance to find this out, but for all I know the federal government may also have such documents available. It is one of the things I have been intending to look at for quite some time. Perhaps it has documents, for example, that would show what it is actually costing us every time we grant another exemption or create another loophole, loopholes that allow people to avoid their fair share of income tax by putting excessive amounts of money into RRSPs.

I hope those papers are available at the federal level. I am looking forward to seeing them. I know that they have been produced provincially and cannot help but believe that they would be available federally.

Mr. Neil Young (Beaches—Woodbine): Mr. Speaker, I am pleased to be able to say a few words today on Bill C-52. I have listened fairly closely to the debate as it has proceeded through the House. Nearly every one of the speakers has pointed out the figures that were referred to by the previous speaker. In fact, while I was sitting here listening to the debate I looked over the debate that took place in the House yesterday on this bill. I saw that one of my caucus colleagues, the hon. member for Okanagan—Similkameen—Merritt in his speech to the House, made this reference to the bill before us.

• (1640)

He said:

> Through the amendments in the registered retirement savings plan we know now that it will cost the government $300 to $350 million in the first year for these extra tax breaks to the wealthy, because they are the ones who are going to benefit. Let us be honest about it, it is the wealthier persons in the Canadian society who benefit by these tax breaks. Might not we be better off using that $350 million in insuring an extra $30 to $60 per old age security earner to ensure that they have a little more comfort.

It is not necessarily that there is a split in the NDP caucus. I think that when we talk about the government being deprived of some $300 million to $350 million in the first year because of the measures contained in this bill, that is somewhat in error. It is not the government per se that is being denied these additional tax revenues. It is Canadian taxpayers. If these wealthy Canadians are not paying their share, someone else is picking up the cost. That someone else happens to be middle and low-income earners.

When you compare what this government is proposing to do for those people who have salary ranges in the $100,000-a-year-bracket—and that is what we are talking about—and if you look at the background papers that the government supplied with this bill, you realize that to take advantage of that legislation and the provisions contained therein you must have an annual salary of around $80,000 a year and upward. You cannot possibly take advantage of any of the provisions in this legislation

unless you have a disposable income of around $80,000 a year.

If you are earning $20,000 a year, you cannot take advantage of anything in this legislation. You will continue to rely on old age pensions and the Canada Pension Plan. If you are fortunate, if you happen to be one of those Canadians covered by a private pension plan, and only about 50 per cent of Canadians are, then you are out of luck. You would be out of luck in providing yourself with a decent source of income upon retirement. That is what RRSPs are. They are a personal saving vehicle for retirement.

We find that the government is bringing in this kind of proposal when what is sorely needed in this country is reform to our pension system, not this kind of reform, not reform for people making $100,000 a year, but reform for people in the low and middle-income levels on salary scales.

When you look at our pension system you realize that something like four out of every ten elderly women over the age of 60 are living in abject poverty because there is not a decent retirement income replacement system to help those people in the so-called golden years of retirement. They are not golden years for many of those people. They are years of misery when the worry from day to day is whether to spend $2 on going to visit grandchildren or whether to buy a pork chop to provide a meal for themselves. That is not decent retirement. We have a responsibility to people who have contributed in many cases 50 and 60 years of their lives to growth in the economy of Canada to provide the kinds of benefits that I, and young people as you look around the room, the pages and others, expect.

The standard of living we enjoy today did not just come about. In many cases the standard of living that we enjoy today was provided by the sacrifices of the elderly several years ago. Many of these elderly brought their kids up through the Depression, through very difficult economic times. They looked after the family during world wars that Canada participated in. Many of them lost children and loved ones, husbands and wives, in those conflicts.

Surely to goodness we have a responsibility to at least say to those people: "You have given your all for this country. You have given your all for future generations. Now it is time we gave you something back." What this government has done is to bring forward this kind of legislation which, in the context I am talking about, is absolutely obscene. It is doing that and at the same time it is proposing to claw back pension benefits that have been bought and paid for. It is not some largesse that a government has handed out to these elderly Canadians. It is something they bought and paid for. They bought and paid for it through contributions to the income tax system.

Just to spend a minute on old age security and whether or not this is some kind of largesse from a benevolent government, which it is not, up until a few years ago Canadians had a surtax on their income tax specifically to provide the funding for old age pensions. They paid for it. It was an additional amount on top of their income tax that they paid for to provide adequate pensions on retirement. That changed, of course, a number of years ago when that surtax was just buried into the income tax system. Now everybody is paying it, and nobody is complaining about that.

I think most reasonable Canadians have accepted that there are some responsibilities in society that should be shared by all of us if we want to live in a caring and humane society. It is a part of the social contract that the vast majority of Canadians recognize, except if one happens to be a Tory government member. Then it is different. Then it is largesse. The government gives and the government takes away. We have seen that since 1984.

Since the members of this government were elected in 1984 the first thing they did in their budget was to go after old age pensions to try to deindex them so that they would not be protected against the ravages of inflation. When pensioners and every decent thinking Canadian across this country said: "You ain't going to do that to my mother or my grandmother or my great grandmother, " they backed off. They realized that they had made a serious political—and I would argue moral—mistake.

It did not take them long before they were at it again when they went after spousal allowances under the Canadian Pension Plan. They want to attack them. They figured that the women should provide for their own

retirement. So do women believe that, if they are given the opportunity. But they certainly do not want to be attacked because of some perceived notion that under the policies of this government women no longer need that kind of pension or retirement income.

Since then, as recently as a year and a half ago, the Minister of Finance floated a White Paper proposing legislation that would have gutted private pension plans at the federal level across this country, if he had a chance to enact it. He did not get away with it because there was such an uproar among employer and employee groups across the country. He decided to back off, especially since it was just prior to an election campaign. He re-examined his options. That White Paper is still sitting there, though. I would put money on it, Mr. Speaker, that before we see the end of this government we are going to see legislation based on that White Paper. I say that because it has something against pensioners. I do not know what it is. Freud could have had a ball with that kind of question in examining the relationships of members opposite with their parents. But the government seems to have a problem with pensioners and pension plans.

• (1650)

We saw again in the last budget the clawback of pensions for anyone making $50,000 a year. "Anybody making $50,000 a year does not deserve to receive the OAS". The government tries to leave the impression and make the argument about why bank presidents should receive old age pensions. That argument does not wash. Bank presidents are entitled to old age pensions because they paid for them.

In any event, if the government is concerned about bank presidents receiving old age pensions, the way to deal with that problem is not to grab the pension. It is to deal with it through the income tax structure. If people are earning too much money, whether that money includes salaries earned, pensions earned through the bank, stocks that the guy has earned through the banks, old age pensions and the Canada Pension Plan, and if you combine that and say that this individual is not entitled to receive all that money on retirement, then change the Income Tax Act—reform the Income Tax Act. Say that if you are earning $100,000 a year, then you pay your fair share of taxes. We could care less where the earnings come from, whether it is a pension system or anything else. But you do not attack the program that is universal, that everyone accepts and supports because everybody receives the same benefit.

If you attack that, you attack the program. That is exactly what the government has done. When it went into that clawback it did something against what was sacrosanct up until that point, that is, against the universality of social programs. The government ended universality of old age pensions when it did that.

Today, it is talking about someone earning $50,000 a year. Ten years from now about a quarter of the Canadian population—by all forecasts that I have seen—who would otherwise have been entitled to old age pension benefits will not get them because of the way that this government has structured and formulated the tables on that clawback system.

While it looks like relatively few people today would be affected by the clawback, in 10 to 15 years from now 75 per cent of pension recipients will be affected by that clawback provision.

It was not only pensions the government went after, it went after family allowances. The government has ended universality in that area as well, at a time when we all know—if anybody wants to take a look at the facts, and certainly the government has a responsibility to do that—that there are literally exploding numbers of kids in Canada who were relying on food banks in order to get a meal.

If that is not enough, the government is proposing to introduce a GST, a sales tax, initially of 9 per cent, now reduced to 7 per cent. Whether it is 9 per cent or 7 per cent, to those parents whose kids are now having a hard time finding meals and who are trying to put clothes on their kids' backs and shoes on their feet that 7 per cent represents a reduction in their ability to do that. Very many of these parents are single parents headed by family members who happen to be women. It is a direct attack on the disposable income of another 7 per cent. If that is not enough, they will have to go on the unemployment insurance program.

They say: "If you have not had enough pain and suffering, then we are going to make sure that if you become unemployed there ain't going to be any safety net for you". I suppose it is Tory philosophy to force people to be self-reliant, to teach people to be self-reliant and look after themselves.

That is the argument they used years ago when they opposed the introduction of old age pensions. If you give anybody $50 a month old age pension, went the argument at that time, they won't save for their own retirement. They argued that in a very real way, not only on the floor of the House of Commons, they even went so far as to take a delegation over to the Privy Council in Westminster, London, in the United Kingdom, to argue that what the federal government was trying to do at that time was unconstitutional under the British North America Act.

Mr. Fisher: The Tories did that?

Mr. Young (Beaches—Woodbine): The Tories did that. They have never supported pensions. They have never supported that kind of decency that other ordinary Canadians accepted years ago. They are still working at it.

I think it is totally unacceptable. I and other members of my caucus agree that there has to be pension reform. But it has to be real pension reform, not for those people in the $100,000-a-year bracket. When you bring in this kind of pension reform that we see here today what the government is asking low and middle-income Canadians to do is to pay for it once again. I think that is unacceptable. We will not be supporting this legislation for that very same reason. I understand why many Canadians would be attracted to RRSPs. It is because there is an inadequate private public pension system to provide them with adequate pensions on retirement. I can understand that, and I have some sympathy for them.

I would make the argument that they would be far better off by putting pressure on that gang over there to bring in proper pension reform, to provide every Canadian with a decent level of retirement income at age 60 or age 65, or in many cases now as a result of the attacks of this government against VIA Rail, those older workers who may never find another decent paying job because of the kind of community they live in, very many of which are remote. Because of that they may never again be employed. That is a terrible thing to say in a country that is as rich as ours.

We may have to take a look at reforming the public pension system to provide for earlier retirement than at age 60, to provide for retirement at the age of 55, if you happen to be an older worker in that kind of community where the government has deprived you of a job in order to provide that individual with an adequate support system.

I can see you are indicating to me that my time is up, Mr. Speaker. You have been extremely generous.

The Acting Speaker (Mr. Paproski): The hon. member will have 10 minutes in questions and comments if he would like to take it the next time the bill comes up in the House.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

INDUSTRY

IMPORT-REPLACEMENT PRODUCTION

Mr. Steven W. Langdon (Essex—Windsor) moved:

That, in the opinion of this House, the government should consult with industry and trade unions to develop measures to increase import-replacement production in Canada, particularly in the higher-technology sectors such as machinery production.

He said: Mr. Speaker, I will start out where my colleague has just finished in some senses, that is to point out that as we start the 1990s this country is facing serious economic problems. We are facing the problems in Atlantic Canada with a special force. We are seeing it in our fisheries with tremendous shut-downs of fish processing plants. These problems are not just in the fishing industry. The Prime Minister yesterday tried to suggest that it was only in the fisheries that Atlantic Canada faced serious problems. I have talked recently with steel producers in Cape Breton, in Sydney, who have told me that their workforce has shrunk in the past eight years from close to 4,000 workers to about 700 workers. It is likely that we will see significantly further increases take place. The same thing is happening in the coal industry, not just in Cape Breton but elsewhere in Atlantic Canada.

[*Translation*]

Not only the Atlantic provinces are facing the economic problems I just mentioned. We see the same thing happening in the province of Quebec. There are some very serious problems in the shipbuilding industry. Today for instance, there is a report in the paper about

members of the Quebec Conservative Caucus who asked the government about support for shipyards in the province of Quebec, and it is clear that the industry cannot count on that support.

[*English*]

One can see the same thing in Ontario and in parts of Quebec in the major problems which exist in both those provinces in the automotive industry. Certainly I see it in my home constituency. I also see it in the city of Windsor itself. I see it in St. Catharines, in Toronto, in Oshawa, in Ste. Thérèse in Quebec. Right across the whole of industrial Ontario and Quebec one sees that this industry, which has been the engine of economic progress and growth for Ontario and Quebec and to a significant degree for the entire country, has been hit with lay-offs, some of them temporary, but far too many of them permanent. These lay-offs are hitting workers in General Motors in their van plant in Toronto, lay-offs which are hitting workers in St. Catharines that are permanent, lay-offs in Ford in its engine plants in my constituency, lay-offs in Ste. Thérèse which I fear may turn out to be permanent.

These same economic problems exist across the prairie provinces. Earlier this past year when I was in Portage La Prairie, one of the largest employers, Campbell Soup, was shutting down its operations and consolidating its operations as a consequence of the free trade deal.

One can see the farm economy right across western Canada being hard hit directly and, therefore, the offshoots of that farm economy itself being very, very hard it, for example, food processing, machinery manufacturing that contribute to inputs to the farm economy itself.

We have just heard that this sense of serious problems in the Canadian economy is reaching British Columbia. The resource sector is being especially hard-hit. The west coast fisheries are being hit with serious threats to processing plants as a consequence of GATT decisions.

As well, some of our mining and mineral industries such as Cominco in Kimberley, B.C. in the Kootenays are telling 700 plus workers and another 200 or 300 staff people that their jobs are being eliminated. That is in a town of 6,000 people, so we are looking at devastation for that community.

We can see many changes in economic policy which are required in the face of some of these serious problems. We see, for instance, the need to cut interest rates in this country to a sensible level. Historically, we have never had a gap of 4.5 percentage points between interest rates in Canada and the United States. Yet that is what this government continues to support.

We can see the immense importance of serious rules to govern plant closings so that a company cannot simply decide that because it can make more money in the United States, it can shut down its operations in Canada and transfer production to the United States. There has to be a possibility for workers in communities that are affected to be able to examine the books of companies in those situations, and if those companies are making money to be able to take those operations over with the support of community development funds to make sure that jobs and communities are preserved.

We need the development of regional development banks which will be able to see that in poorer parts of Canada that assistance in the form of capital, at lower interest rates, is available to help small producers, to help new businesses establish new jobs.

We have to see the potential for a general system of variations in interest rates so that poorer parts of the country suffering much less from any inflationary pressure are able to have access to capital at significantly lower rates of interest. They have done this in Japan for many years. It is something that we could do in Canada quite readily.

We have to put much more emphasis on research and development, not just in the industrial sector of our economy, but right across our economy.

However, and this is what the motion deals with, we need a bottom-up approach to industrial planning for the future of this country so as to make much more use of the skills which we have here in Canada; to be able to use the resources which we have in this country in a way that will see to it that the many Canadians who are out of work are combined with the resources which exist in this country to produce new items which we have been

importing, and in the process produce jobs to save communities and give many Canadians a future.

• (1710)

We have to look especially at some of our key industries in the higher technology areas. We have to use models which have already been used in this country. We have to look at some of the things which were attempted in the early part of the 1980s in the automotive sector. For instance, in 1983 a report was produced entitled "An Automotive Strategy for Canada" which came from a federal task force established to look at the problems of the automotive industry. It was a task force which was co-chaired by the president of the Automotive Parts Manufacturers' Association, somebody from the employer's side in short, and by Bob White, the then director for Canada, now president of the Canadian Autoworkers. It included as members the president of Chrysler Canada, the president of General Motors of Canada, the director of research for the Canadian Autoworkers Association, and the vice-president of planning for Magna International. Therefore, it included a number of parts producers, a number of vehicle manufacturers and some trade union input.

We can look as well at the 1986 report when this government itself saw fit to establish a task force. This was an even more widely-based task force which was co-chaired by the president of American Motors, by the president of the Automotive Parts Producers and by the president of the Canadian Autoworkers. It included representatives of the federal government, provincial governments as well as representatives of the vehicle manufacturers, of parts manufacturers and key people from different trade unions.

From these two reports ideas have emerged of building up the capacity to produce in this country more of what we consume in this country. There were commitments and suggestions for better training, so that we do not again reach a situation such as that which emerged a couple of years ago in the auto industry in my community. It was then necessary for some of the big auto producers to bring into Canada skilled workers from Europe because these skilled workers were not available in this country.

It was absolute nonsense that at a time when unemployment was so high in this country, instead of being able to recruit skilled workers who had been trained in this country, these companies had to go overseas on special recruitment drives to bring in skilled workers from abroad. The task force report suggested we had to establish the support in this country for serious effective training, something which my colleague for Saskatoon—Dundurn is responsible for talking about in our caucus. We put forward a good many ideas for improving training right across this country, but the suggestions made specifically with respect to the automotive industry were set out in these reports.

It was also suggested, however, that we had to use trade policy so that these industries employed more Canadians. It was suggested that we needed commitments from some of the new companies that were setting up production facilities such as Toyota, Honda and Hyundai, commitments that they would meet the same level of Canadian content in their sales in Canada which the American based automotive producers have to meet, 60 per cent Canadian content targets.

It was also suggested that some incentives be provided to improve Canadian production in the parts sector. It was suggested that once we had all automotive companies producing on the same basis that those companies should have to gradually increase their commitments so that, for instance, they might reach the level of Britain. Britain requires that companies that sell major output to the British market in the automotive sector have to produce 80 per cent of their output, 80 per cent of what they sell has to be made up by British value added.

It seems to me that there are a great many import sectors across our economy where this kind of philosophy could be put into effect. If we look only at the last three years, we can see that situation in the case of chemicals, electronic tubes, or electronic components. For instance, in chemicals there were over $7 billion worth of imports into this country in 1988, and in the case of electronic components almost $6 billion worth of imports. But the area where this import level is most scandalous is in machinery production. In 1986 there were almost $11 billion worth of imports. By 1988, there were over $13 billion worth of imports into this country compared with exports of about $4.5 billion. So there is a massive trade

deficit in this area and in many cases a trade deficit in areas where we are major producers of final products using this machinery.

For instance, we import massive amounts of pulp and paper machinery. We import massive amounts of mining machinery, despite the fact that we are producers almost unparalleled in the world in pulp and paper and in the case of many mining products. Yet, we do not produce the machinery here in this country.

I very much hope that the House would eventually be able to support a motion such as mine before us today which says that we should get serious. We should set up task forces of employers, of workers, of communities, of governments to work together to plan ways that we can see to it that we produce the machinery, the other specialized hi-tech imports which can give us the jobs for the future which we need in this country, which our people right across Canada desperately need, and which will be a solution to the economic problems that are so serious from Atlantic Canada right to the west coast of British Columbia. I urge this House to support this kind of motion for our economic future.

• (1720)

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am pleased to respond to the motion of the hon. member for Essex—Windsor and I believe I can offer some useful insight on this subject. I will try to respect my notes because I think my hon. colleague went a little bit outside of his motion.

[*Translation*]

In Canada, industrial development has so far been based mostly on our abundance of natural resources and easy access to markets. However, in today's global economy, our success will depend increasingly on our scientific and technological capabilities and appropriate macro-economic policies.

If we want to maintain our position as one of the great industrial and economic powers, we must improve our industry's competitive position on international markets by integrating our efforts in science and technology. We must consider the future of Canadian industries within the context of world markets and acquire competitive edge based on the excellence of our products and processes.

In its first term which started in 1984, this government recognized the importance of a competitive industrial economy, whose growth was based on the private sector, when it made a commitment to Canada's economic renewal. To that end, it took a number of macro-economic initiatives. These included tax reform, designed to stimulate consumer spending by reducing taxes on individuals and to increase business confidence by reducing corporate income tax. They included as well adopting a science and technology policy that provided for a substantial increase in public funding to encourage research and development in industry as well as other scientific activities.

The creation of Industry, Science and Technology Canada was another initiative taken by the government in response to growing international competition and the rapid pace of technological change affecting products and manufacturing processes.

Up until now the Canadian economy has adapted remarkably well to the trade liberalization triggered by the series of GATT rounds. Our industries have progressively increased their operations, their specialization and their effectiveness. This government firmly believes that free trade between Canada and the United States will pave the way for Canadian industries to improve their performance and compete not only on the American market but also on world markets.

The first priority of Industry, Science and Technology Canada—and of the government, for that matter—is to make sure that we as Canadians can compete on the international scene. Indeed my colleague referred to that earlier when he spoke about Quebec's shipyards. Mr. Speaker, I simply fail to see how the NDP Members can talk about Quebec's shipyards, for we can always encourage— There is a will to support industries, as my colleague pointed out, but we know they are not always competitive. A good example would be the Hon. Member for LaSalle—Émard (Mr. Martin), a leading businessman. He established his own multinational corporation and seldom misses an opportunity to brag about that in his campaign, but we happen to know that he bought his last seven ships in Brazil. What a way to encourage Quebec! We can also encourage our industry, but when we no longer build ships— My colleague is probably not

listening to me but he ought to seek more information. Supporting labour unions is fine, but so is promoting productivity.

I am pleased when people talk about car manufacturers because I happen to live next door to Sainte-Thérèse, as you know, and Windsor is not the only place where people can make cars. I listened to the NDP Member brag about talking to the labour unions and helping them, yet, Mr. Speaker, we know that their own candidate in Chambly, listen to this, it may be worth your while—

His own candidate in Chambly—and we know that the NDP is pro-union—named the Lada "car of the year" when he was with the APA, the Automobile Protection Association. Think of it: the Lada as car of the year! You should be ashamed to say that you represent the unions, because Lada is a Russian car made with Italian parts and as a driver I can tell you that there was no worse piece of junk!

Anyway, if members of the New Democratic Party encourage such things, they really have a nerve to talk about it in the House. I know about it because I was in the car business and close to the candidate who is running in Chambly. You always have to look at yourself in the mirror.

He then talked about the problem of the fisheries and he probably does not even know the real problem with the fisheries because I just spoke with the minister and it seems that it is not quite as he said.

He talked about Sainte-Thérèse. Certainly the government is proud that it can say today in the House that we supported the auto industry, whether in Sainte-Thérèse or in Bromont. We saved Sainte-Thérèse and with it, over 3,000 jobs. So I think that the government has fulfilled its responsibilities.

Mr. Speaker, I think that the NDP often boasts of being more Catholic than the Pope, but sometimes I have serious doubts when they encourage sales of Ladas, which are not even made here. You could buy one for $6,000 and two weeks later, if you wanted to return it, it was worth only $400. I have serious questions. The candidate running in Chambly did that. The hon. member—the candidate in Chambly. He is not a member of Parliament and I hope he never will be. In any case, that is what you are doing, and it must be hard to convince people you are pro-union, when you urge people to buy a car made in Russia that was a complete disaster. So let's be realistic!

Mr. Speaker, we are trying to improve our competitive position internationally by taking a specific approach that consists in: defending the needs of industry, as we have done, to ensure it is not overlooked when setting essential, macro-economic policies; conducting joint initiatives with industry to help it improve product quality and increase market share within a reasonable length of time, as we did with General Motors in Sainte-Thérèse; ensuring that government aid is compatible with our international obligations and treaties; providing increased aid and services for industry to promote development and dissemination of strategic technologies, market development and other innovation-oriented activities; providing less financial assistance for manufacturing facilities and more for research and development and technological development—as the hon. member said earlier, we need people with better training for certain industries.

These objectives and the focus of ISTC were established following close consultations in early 1988 with the provinces and representatives of national organizations as well as with people from the business, scientific and academic communities. These groups generally supported the mandate and direction of ISTC and helped us determine which initiatives should be a priority.

One of ISTC's major new initiatives has been to promote the development of strategic technologies that are essential to enhancing the competitive position of a wide range of industries, and I am referring to advanced industrial materials, biotechnology and information technology.

Today, the focus is on three main objectives: to support the creation of research and development alliances between business and universities in order to develop and disseminate new technologies; to support the creation of alliances focussing on technology applications in order to promote risk-sharing in connection with research and development projects and certain feasibility studies; and to promote technology management in a joint effort by ISTC, industry and universities.

Under the Technology Outreach Program, we are trying to improve productivity and competitiveness, especially in small businesses, by accelerating the acquisition,

development and dissemination of new technology and essential skills.

• (1730)

Mr. Speaker, I could also talk about advantageous initiatives and sector competitiveness, but I am running out of time.

In concluding, Mr. Speaker, I simply wish to inform the House that two major objectives underlie all ISTC initiatives, and these are to defend the interests of business and the scientific community in cabinet, in areas such as taxation, transport and energy; to provide businesses with support and information to help them market their products and acquire new technology; and to increase competitiveness and adapt to the new business climate.

[*English*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I would like first to thank my hon. colleague from Windsor, Ontario for raising this motion in the House today. It is a timely and extremely important issue which deserves our attention and our action.

As we can see from the headlines in the daily newspapers, our world is changing. We are facing lay-offs in the forestry industry. In Bas-Caraquet the fish packing plant is closed. In Shippagan the plant is in receivership. In Canso, North Sydney, Lockeport, Wood Harbour, Port Medway, Port Mouton the plants are closed. Small towns across the country are boarding up windows and closing down.

Obviously we simply cannot rely on our fishery, our forests and our farms to provide jobs and wealth in this country. We are now emerging from a global round of competition which, by all reports, indicate that we must re-evaluate our economic and political priorities. In this highly competitive and creative world our traditional policies are just not good enough any longer. We have to alter our course.

[*Translation*]

The second half of this decade has been characterized by the restructuring, on a global scale, of companies trying to adjust to the new international environment.

Before setting our goals, we must know our roots. History shows that most firms base their economic and social policies on their national culture.

Ironically, Canada's problems derive from its strengths. Our natural resources have always provided us with a high standard of living. But, even though we cut down more trees than any other country, we are still importing chain saws. In 1987, the value of imported manufactured goods in Canada exceeded that of exported goods by $24 billion, which represents $460 million a week.

For example, we are importing 76 per cent of our machinery, 40 per cent of our electrical appliances and 80 per cent of our medical equipment.

[*English*]

Trade in advanced technology has grown almost twice as fast as trade in general. By 1995 trade in computers, aerospace equipment, electronic machinery and pharmaceuticals will account for one-quarter of total world exports. But Canada is largely missing out on this growing opportunity. For example, in 1980 our trade deficit in high-tech products totalled $4.6 billion. By 1987 this deficit increased to over $7 billion.

Recently we were told that Canada has experienced its first monthly merchandise trade deficit in thirteen and a half years. It is particularly noteworthy that this deficit included a sharp increase in imports of machinery and equipment during that month.

As the Premier of Ontario told the National Forum of Science and Technology Advisory Council this past June:

> Increasingly, we are exporting yesterday's goods, and importing tomorrow's technology.

We are currently putting 1.3 per cent of our Gross National Product into research and development. Our competitors are doing twice that much. For example, 7 per cent of Ontario manufacturing industries do not have even one engineer on staff. So what can they do but import products, technologies and the very knowledge needed to put them to use.

If we want to win in the international arena and thereby protect and enhance the quality of life of our citizens we must set our sights on competing with the very best. In an article published by *The Globe and Mail* last March Dr. Larkin Kerwin, President of the National Research Council wrote:

Canadians face some very unpleasant facts. Among the world's industrial nations, we rank as technological illiterates; we have become incompetents in the unfolding scientific civilization.

So what can we do about that? To start, we have to work together. Internationally speaking, Canada is simply too small to risk diluting its strength by each of us moving in different directions. We must work together and mobilize all of our sectors in a national effort. We must address this problem on a national scale.

This is not an issue which can be resolved in isolation of a federal, provincial or municipal government or by industry and labour alone. This is a problem which requires the collective effort by all elements of society. For example, in Ontario the government has brought together some of the finest minds from the world of business, labour, the academic community, and government and established a special council. This premiers' council was set up to develop an internationally competitive economy. Basically, its goal is to produce a game plan for building on existing strengths and creating new ones.

The council is working to restructure core industries and to invest in high gross and emerging industries. It is also addressing the need for investment in people through education and skill training. Sub-committees of the council hold public forums in schools, factories and union halls.

The concept for the council was borrowed from the Japanese who have a council which is chaired by the Japanese Prime Minister. Clearly, this is the kind of co-operative constructive action that we need on a national level. But there is something else we must consider.

New industries and new technology is vital but if we are to take full advantage of it we must have the skill, the entrepreneurial people to use it, transfer it, and ensure that it benefits all.

Along with government incentives to manufacturers and technology—based industry, we must work together to create a well educated and highly skilled workforce. All the incentives and all the investment in the world will be useless unless we have a workforce with the ability to adapt and learn the constantly changing skills of the modern workplace.

Interestingly enough, the Southern Literacy Study estimates that as many as 5 million Canadians are functionally illiterate. Although it is very difficult to estimate the cost of illiteracy, a Woods Gordon study conducted for the Business Task Force on Literacy put the cost to Canadian business in the range of $4 billion per year due to lost productivity, increased training costs and industrial accidents. The estimated cost to Canadian society as a whole is as high as $10 billion per year.

The problem is getting worse. Increasing technological sophistication in the workplace and in society generally has raised the level of reading, writing, and number skills required to be functionally literate.

An article in *The Globe and Mail* this fall indicated that 50 per cent of factories use high technology. This is the technology that is necessary to lower costs and make these companies more competitive. The article also indicates that in 53 per cent of the plants, managers encountered problems trying to hire skilled people to work with the advanced technologies. Obviously, efforts to increase the proportion of our economy involved in the manufacturing industry will be for nothing unless we have prepared our workforce to perform these new tasks. It is therefore absolutely vital that any effort between the government, industry and trade unions to increase domestic productions in high technology sectors must also include a commitment to work together to combat illiteracy and to increase the skill level in our workforce. Therefore, there is no doubt that focusing on the high technology manufacturing sector will pay off richly in terms of jobs, trade balances and the economic well-being of Canadian communities.

• (1740)

For example, a recent consultant report indicates that the city of Kanata, known as "Silicone Valley North" will see huge growth in the next 10 years. In fact, they estimate that employment in the high technology sector which now employs 7,000 people in this city will quadruple by the turn of the century.

Around the world we are seeing a new spirit of co-operation between government, businesses and people. That same spirit must be represented here in

Canada amongst all the various sectors of our nation if we are to ensure that the step into the next century will be alongside the economic leaders in the world.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I would like to make a comment as I begin. I believe the opportunity to speak during Private Members' Hour on Private Members' Bills and Motions is very important. I believe some of the most meaningful debate actually takes places here. I am pleased to have the opportunity and I thank my colleague for Essex—Windsor for introducing the motion today.

I suggest there is very little difference among people in all parties on many items when it comes to developing our industries, especially our high-tech and advance industries on which our future will depend. I think all members will agree that there should be more R & D. There should be more development and co-operation with industry, with the universities, with unions and with all parties that can work together to forge success in this area.

However, there may be many differences as to the approaches we take to achieve those priorities. I would like to refer to one example that was used by the Member for Essex—Windsor. It is one that is near and dear to my heart. When it comes to the forest industry in Canada no one in the world can produce lumber like we can. When it comes to the technology surrounding it, although we have many of the fresh ideas and new thoughts, the blooms of this new technology, we really have not been as successful in the development of that industry.

I would concur that that is an area in which we should be working with the universities for their R & D, and with small business and large business to try to encourage that development. It is extremely important that this business, when developed, is good sound business that can survive.

The member for member from Essex—Windsor gave us the example of pulp and paper equipment as something that we should be developing ourselves. I would be the first to say "Good. Let's get at it." Let us see if we can be competitive.

It would not be very realistic to think that we could develop equipment strictly for the use of Canadians. If we develop something in pulp and paper technology it has to have a wider economic base than just Canada and would obviously have to be successful world-wide. We cannot just close our border for our own use of all the pulp and paper equipment or all electric motors that we use.

In order to develop this new technology, our priority should be to focus on international competitiveness. That is one way we can make that development work.

Any effort by Canada in the past to look inwards has not worked. Import replacement policies, as it is referred to, involves a number of practices that do not sit well with the economic realities of today's competitive world, nor do they accord well with the views of the present government on how best to achieve sustained economic growth.

In the past some industries were often selected by the government of the day as having growth potential. They were then given support and this support usually meant putting up trade barriers or non tariff barriers for the import of goods from other countries in the hope that the essential ingredients for sustained commercial success would be achieved by these industries.

These so-called infant industries were supposed to grow big and strong and stand on their own feet. In many cases, this did not happen. Those infant industries just did not grow up. The end result was that we were forcing on our own economy higher prices and inefficiency. It is that type of inward looking growth that we must try to avoid.

These approaches were inappropriate for the 1950s, 1960s, and even the 1970s. In some instances they led to the establishment in Canada of successful industries, but very few. In a world now that requires intense competition and rapid change, that is not the direction in which I feel we should be going.

One of the keys on which we have to focus in Canada if we are going to achieve that success, and one on which this government has been focusing, is the program of excellence, whether it be in industry, in our universities or in small business.

We must be able to produce and supply what the markets demand and, most important, at the right price. We must be competitive. This requires the right combination of up-to-date technology, the right mix of inputs, good delivery and servicing, flexibility and just plain old fashioned good management. We cannot hope to do everything well. We must find a niche in which we can

succeed, where we can take competitive advantages and build on it until we are successful.

Another area to which the government is giving greater consideration is the removal of some our interior barriers. It is not enough to take down the barrier in trading between here and the United States because in many cases inter-provincial trade is very limited. We should be addressing that question and I am glad to say that the provinces and the federal government are co-operating in this area.

I am proud to be a part of this government which I believe is taking some very commendable steps through the Department of Industry, Science and Technology for initiatives that will go a long way toward achieving many of the successes that we have been talking about here today.

There is much more I would like to say on this topic but the time is short. In conclusion, it is obvious that the aim of the government is to create in Canada a program of excellence for industry on a world class science and technology base. The government has renewed and strengthened this commitment to R and D and to co-operative efforts with industry. It is the task of this new department to translate this commitment into action.

• (1750)

The key today is global trading. In Canada especially, we know that we can succeed, but there is a real risk of failing if we look too much inward. There are prime examples of this around the world. China has been an inward looking economy and government, surrounded by smaller, but so much more successful centres of economic excellence. Singapore, Taiwan, Hong Kong, these are all peoples of the same nationality with great success because they look to the world for their market.

There is a similar example we see in Europe, with East Germany and West Germany. One is looking inward and the other is looking to the world markets, building on their successes, building their technological excellence. Why should we in Canada do anything different?

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, I would like to add my thoughts to those of my colleagues, especially the member from Cariboo—Chilcotin who gave an excellent speech. I would like to add my thoughts on the motion put forward by my hon. colleague the member for Essex—Windsor, who proposes that the government develop measures to increase import replacement production in Canada.

Import replacement is a somewhat archaic concept, since it takes us back to the notion of small, inefficient industries protected by high tariff walls. In today's global economy, a company cannot rely on servicing only a small captive market. Successive trade liberalization efforts under GATT have progressively lowered the tariffs since the end of World War II.

Combined with the increasing output of newly industrialized countries, it means that our industries are facing increasing competition at home and abroad and are themselves challenging others in an international marketplace. Given the dependence of our economy on international trade, inward looking protectionist measures are not the road to survival and success. The key is to enhance the competitiveness of Canadian industry.

At the time of the Depression tariff walls were 80 per cent higher than they are today. As we have lowered them, Canada has become increasingly competitive and we should only seek to do more of this in the future.

It was in this spirit that the Prime Minister announced in August, 1987, the creation of the Department of Industry, Science and Technology and charged it with the mandate of building up Canadian industry's international competitiveness with all sectors and with both overseas and home markets in mind.

We need world-class industries to create and maintain a world-class economy. Import replacement is not a viable development strategy. Canadian companies must develop innovative technologies and products and achieve sufficient scale in production to address the world market. Only then can they sustain the continuous reinvestment that is required to generate future generations of products. The Canadian market is simply not big enough.

For example, Canada is a world leader in telecommunications. This industry is the engine that drives all our high technology sectors. With global sales of over $8 billion, it employs over 150,000 highly skilled, knowledgeable workers. Our world strength in telecommunications has come about because of a coincidence of geography and government policy. Our country is so vast, the communication challenge is so great that we had to become world leaders. We had to break new ground.

Today this industry is responding to the challenges offered to it by nations all around the world.

The rapidly growing companies that make up this industry must expand into new global markets to ensure their future. More generally, ISTC consultations with industry have pointed out that unless we respond quickly as a nation to build on our successes and develop our comparative advantage in areas like information technologies, we will be rapidly surpassed by the newly industrialized nations like Korea, Taiwan, Singapore and the others that my colleague from Cariboo—Chilcotin mentioned.

These countries are making investments necessary to emerge as the tigers of the 21st century. As they make these investments and as their economies grow, wages increase and the standard of living increases. It has increased rapidly. Many of these countries are what I would call economic miracles.

The appropriate role for government is to encourage Canadian industry to become and remain competitive. For example, through establishing appropriate macro-economic and other policies, disseminating information on changing domestic and international circumstances and market opportunities, and providing specific services where needed. We must examine new ways of doing business. We must explore new options.

One of the most important advantages that any Canadian manufacturer in whatever sector, for example, machinery or textiles, has over a foreign competitor is time. What every customer seeks is the right product at the right place and perhaps more importantly at the right time. This is why officials at ISTC are spending considerable effort to encourage Canadian industry to put in place and use more efficient and speedy communication linkages between raw material suppliers, equipment suppliers, manufacturers, retailers and consumers. Such linkages are facilitated through encouragement and support to industry associations and councils.

Through sector competitiveness initiatives, ISTC works with selected industry sectors as well as other government departments and agencies to identify constraints and opportunities, define industry-wide needs and put together in co-operation with industry a fully integrated and complementary action plan to realize these opportunities. This comprehensive approach will help to ensure the future strength of those industries in the market-place.

Another positive, forward-looking initiative to which the government has devoted a lot of time and energy is that of encouraging the development of Canadian suppliers, particularly small business, to the federal government. In collaboration with the Departments of Supply and Services, Transport and National Defence, Industry Science and Technology has worked on the source development program. Source development is a concept designed to provide industry with historical market information on federal purchases, particularly by National Defence and Transport, Transport currently contracting outside of Canada or having low over-all Canadian content.

This is particularly important to us in western Canada where historically the federal government has purchased few products. This is gradually and slowly working. We are optimistic that it will continue.

Tax reform, strengthening international partnerships, deficit control through spending restraint, and good management all contribute to the government objectives of building a strong and fully competitive economy. Innovative and forward-looking industrial strategies are also essential. That is why the ISTC is working with industry and universities to bring about a greater and more effective integration of our scientific, technological and industrial activities to improve commercial competitiveness.

In conclusion, it is not by imposing trade barriers but by improving our competitive strength on a continual basis that we can effectively forestall excessive import penetration. Indeed, increased imports are not a cause for concern if they are a reflection of increased rationalization and specialization by Canadian producers on fewer but highly competitive products which are successfully exported.

• (1800)

Such trends are evident in a number of areas. In some sectors of machinery, aerospace and other industries, while imports are still substantial our exports in these

sectors in niche products and niche markets have been improving significantly for over two decades.

These challenges and choices we face as a nation can best be addressed by outward looking policies focused on being internationally competitive rather than by backward and inward looking protectionist policies.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, on December 5, I stood in the House to ask the government to explain its agricultural program cuts in light of the negotiations that are ongoing with regard to subsidies in the GATT round of negotiations.

I posed this question in part because a few days before, on the weekend, the Minister for Grains and Oilseeds had been speaking to the Alberta Wheat Pool in Calgary and he was quoted as saying in the *Calgary Herald* of Saturday, December 2, that he was assuring the Pool delegates that Canada is not about to make changes to its agricultural subsidy programs during the current round of international trade negotiations without similar moves by other nations. He was quoted as saying that we have no intention of getting into a situation where we give up some of our support unless other countries are doing the same thing.

It was very hard to understand how the minister could say that with a straight face after having been in the negotiations for three or four years. During that time, Canada has given up the two-price wheat system. We have given up interest free cash advances to farmers. We have virtually given up tax rebates for farm fuel to farmers. They have been cut another 65 per cent as of January 1 of this year. We knew the cut was coming when I asked the question.

Research funds have been cut or frozen, meaning that there are less funds to do the same amount of work next year because of the inflation that exists in research. Crop insurance funding carried by the federal government dropped from 45 per cent of the total cost to something like 25 per cent of the total cost.

There are probably even more programs that I could have listed in Question Period at the time. It is obvious that the government is not following the policy that the minister outlined in Calgary. I wanted to get some of the ministers to explain why they were, in fact, giving up what the U.S. considers to be subsidies under their producer subsidy equivalent program that they are touting in these international talks when none of the other countries are.

We gave up interest free cash advances while the Americans continue their advance program. We have given up our two-price wheat program which had the effect in low markets of paying the farmer more money for his wheat that was to be consumed domestically while the Americans continue a massive subsidy program to their farmers.

Since that time, the Americans have also continued and stepped up their export enhancement program, a program that raised the ire of this House on all sides when they began paying from $7 to $12 a tonne to customers to take their grain from them. They are now up to $20.95 a tonne on the last major sales to China and U.S.S.R.

• (1805)

The U.S. continues to increase its aid to farmers with the money it is pouring into agriculture, while this government responds by reducing the amount of aid, even though the talks are ongoing. This concerns me, my party, and farmers as well because when this kind of negotiation is going on, ultimately at the end of the round all sides are asked to lay their cards on the table, so to speak, and name which programs they are going to cut. While there is a clause at the beginning of this round that says that cuts made during the program should count at the end of the day, they really do not. In all previous negotiations what normally counts is what is put on the table at that particular time and that is what the Americans and Europeans will demand again this time.

In my supplementary question I raised concerns about how these program cuts were harming existing programs and I referred to a copy of a memo that I had received from the agriculture research branch, namely, the Animal Research Centre, whereby the director notifies all staff as follows:

> We have now put together a clearer picture of the Animal Research Centre's financial situation. As a result, I must advise you that there can be no further purchases of supplies or services from now until March 31, 1990. This includes travel, rentals, stock from B.R.C. stores, etc.
>
> Steps have been taken to ensure that our livestock and poultry will have all basic requirements met. We are currently reviewing all avenues to determine whether any research activities can be continued. However, until further notice, no expenditures will be approved.

In other words, Mr. Speaker, we have this great research centre sitting there unable to conduct any research and concerned that it may not even be able to feed the animals that it has.

I did not get any response from the Minister of State for Agriculture on that issue and I would hope that today the Parliamentary Secretary to the Minister of Agriculture will be able to shed some light on these cuts and try to justify why his government persists in cutting back funding to agriculture and reducing the research impact that the department has.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, this government certainly has supported the needs of the Canadian agri-food industry and it has never wavered here at home or internationally.

The hon. member for Mackenzie is taking us to task for adjustments that have been made to our agricultural programs over the last year. Of course we have had to make adjustments; the changes taking place in agriculture demand it. And I can assure the hon. member that we will continue to respond to the changing agriculture environment. These adjustments to our policies and programs have been consistent with the objectives outlined in the national agriculture strategy signed by federal and provincial agriculture ministers in 1986. They are consistent with the national policy review we are currently leading.

The hon. member has suggested that our agriculture policy is authored by our international trading partners and that they are GATT driven. This is simply not the case. The government has and will continue to develop agriculture policy that meets Canadians' needs and conditions.

Yes, we have adjusted our programs in a way that also reflects our goal and approach in the MTN. This does not mean we have softened in the defence of our agri-food industry. We firmly maintain our right to design programs that suit Canadians' needs but are also consistent with our international obligations.

That is why Canada is working hard with other countries for international trade reform through multilateral trade negotiations. We expect all countries will agree to adjust their policies consistent with the new rules that are being negotiated. This will reduce trade distortions and lead to a fairer and more open international trading system.

I also want to assure the hon. member that this government remains committed to agriculture research in Canada. Agriculture Canada is a leader in this area with an annual research budget of $250 million. We will continue to support this activity to meet the needs of the agri-food industry.

In fact, research at our Central Experimental Farm here in Ottawa is being enhanced and refocused to reflect industry concerns. This is also happening at the Animal Research Centre in Ottawa because industry has picked up long-term animal breeding technology developed at the centre. The arc is now moving toward the development of new technology to improve animal production. The centre is reorienting its research programs toward the key areas of safety and quality of food, animal bio-technology, animal behaviour and environmental quality. However, the centre is moving in these scientific directions at the same time as existing programs are being completed. Because of this, the centre was heading toward a serious budget overrun in this transition period and extra controls had to be imposed.

• (1810)

Funding to the centre has not been cut and frozen, as the hon. member has stated. Rather, expenditures are being managed and controlled within the existing budget for the remainder of the fiscal year. This is not only ensuring that the centre can continue to provide essential services but also that it has this flexibility to meet urgent needs and maintain ongoing research programs. We are trying to do the maximum research with the resources available.

This government is committed to providing the sort of agricultural policies and programs that are in tune with the needs of our agri-food industry and we will continue to adjust these policies and our programs.

Adjournment Debate

EMERGENCY MEASURES

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I am pleased to rise today during today's adjournment debate to speak on an issue which is of great importance.

On October 18 of last year, one day after the devastating San Francisco earthquake, I rose in the House to ask the Minister of National Defence about the government's lack of support for programs relating to emergency preparedness. The Minister of National Defence is the lead minister responsible for emergency preparedness and I regret to say that I was less than satisfied with his response. I appreciate the opportunity to further discuss this issue as several months have now passed. I would hate to think that the government has forgotten this whole issue.

As the House knows, this government made severe cuts to the earthquake prediction research program of Energy, Mines and Resources. It is indeed unfortunate as Canada is susceptible to earthquakes. Near Newfoundland, Yukon and Baffin Islands, high risk zones exist. As well, Vancouver Island and the lower mainland of British Columbia, where my riding is, are also at high risk. There is a high population density in these latter regions. If a serious earthquake should occur, and experts agree it is just a matter of time, the damage to property and the loss of life will be stupendous.

Last October, we saw the graphic and heart-wrenching images from the San Francisco earthquake. We were all relieved to know that the death toll was not as high as it might have been. It was thanks to improved preparedness that the city of San Francisco was able to cope. Would the people of southwest British Columbia be as fortunate?

Let us look at the reality of the situation. Each year Japan spends $100 per person on earthquake preparedness. San Francisco alone spends $19 per person. In Canada, we spend 29 cents.

Our Constitution outlines disaster response as multi-faceted. Municipalities are the first to respond in a disaster. As they are financially unable to carry this out, they must turn for funding to the provinces who must turn to the federal government for financial assistance. This is not an alien concept. The federal government has had the revenue raising system in place designed to pass along needed funds to the provinces and to the municipalities.

This issue is of great importance in the lower mainland of British Columbia. Experts say two possibilities face this region: a major quake of up to 7.5 on the Richter scale will occur every 30 to 50 years or a catastrophe quake of more than 8 will occur every 500 years.

I am concerned about this because I believe we face several risks. Many Vancouver area highrises were built before 1975's building codes came into effect. Vancouver's airport is only three metres above sea level and the earth under its runways could liquefy, rendering the airport useless. Two major dams, the Cleveland and the Seymour Falls dams, need further investigation into their ability to withstand a quake.

Last fall in the Vancouver area, thousands of parents were alarmed to find their children were attending schools which would likely collapse in the event of an earthquake. If we happen to get an earthquake which measures 8, a catastrophe, cities would be devastated and comprehensive damage would occur from Seattle right to Prince Rupert. Experts in B.C. have repeatedly stated that emergency planning is hampered by a lack of support by the federal and the provincial governments. The Greater Vancouver Regional District has told the province that a hazard analysis needs to be done on the major lifeline systems, hospitals, roads, bridges and pipelines. The province has yet to fund this.

• (1815)

Furthermore, the province has suggested that after a major earthquake we would have to wait 24 hours before the province would provide assistance. I do not know what the provincial government believes, but if it thinks that the injured and the dying could put everything on hold for 24 hours before needing support, it better think again.

Once again, Mr. Speaker, let me make one point perfectly clear. Experts have said time and time again that southwestern British Columbia is a high risk earthquake zone. They have said that the loss of life would be extremely high should a massive earthquake occur. They have also said the best way to prevent such a tragedy is to prepare for an earthquake.

We all know the most important first step in preparedness is prediction. Why, then, Mr. Speaker, did this government cut back the earthquake prediction pro-

gram? Why has the government jeopardized the entire earthquake preparedness program by attacking its very foundation?

I would like to remind the minister of what he said in this House on October 18, as found in *Hansard* at page 4810. In commenting on the role of the federal government to the two other levels of government he said:

> We co-operate with them as a national government. We provide the expertise that we can provide.

I think it is past time that the minister acted on his own words. It is time to co-operate. It is time to provide that much needed expertise. The minister has a choice in this matter. He can restore funding to the prediction program, thereby enabling scientists and the Emergency Measures Organization to have fair warning of earthquakes, or we can all wake up one morning to find that an earthquake has devastated British Columbia and perhaps killed hundreds and destroyed millions of dollars worth of property.

The choice, Mr. Speaker, is the choice of this government. It is the choice of the minister.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the hon. member should have directed her question to the Minister of Energy, Mines and Resources (Mr. Epp), since seismic research is his department's responsibility. However, as parliamentary secretary to the Minister responsible for emergency preparedness, I am quite interested in the issue of earthquake prediction. For this reason, I tried to find out the reason why budgetary cuts were made in that area. It is simply this: Budget cuts were made in this particular program as part of the effort the government is making to curtail federal program spending generally, as recommended by the Nielsen Task Force. It was simply a matter of budgetary priorities.

This year, the credits allocated to the Earthquake Prediction Research Program were increased by $400,000. They will provide better means to monitor earthquakes in Canada as a whole and in Vancouver Island in particular and to seek evidence of earth's crust tension associated with earthquakes. They will help also develop new seismic hasard analysis methods and determine their degree of reliability for the purpose of updating our building standards.

Mr. Speaker, I must remind you that the federal government has initiated a serious disaster response planning to meet the needs of all Canadian provinces and territories in case of earthquakes, for it is first and foremost a provincial and territorial responsibility.

In reply more specifically to my honourable colleague who claimed just now that it was strictly to send money, I just cannot understand why the federal government is always being asked for new funds to carry out provincial responsibilities when the provinces and municipalities have just as much taxation powers as the federal government.

[*English*]

VIA RAIL

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, thank you for allowing me to come back and re-ask a question that I asked in this House in October of 1989. The question was with respect to VIA Rail and the announcement made by the Minister of Transport in that time period when he told us that the business plan called for the elimination of certain routes in this country and that the transcontinental train service, VIA passenger train which travels from coast to coast in Canada, was going to be reduced to three days a week from seven days a week. For the train to get from the east to the west, it must go through northern Ontario from Sudbury or Capreol through to the Manitoba border.

• (1820)

In that area of our country and part of the riding I represent, there are two rail lines what are commonly referred to as the northern line and the southern line, which follows Lake Superior. They are known to be competitive in scenic beauty with the trip from Calgary to Vancouver through the Rocky Mountains. I was on the last train as it went through this beautiful area of the country. Having been on both those lines, it is hard to imagine that this government would make that move to eliminate the southern route through northern Ontario.

It defies logic in as much as the line that was chosen to continue the transcontinental train across Canada is a line that only services 14,000 people in its northern route as against in excess of 256,000 people through the

southern route of northern Ontario. The figures are based on actual accounts of Statistics Canada, using the 1986 census.

The reality of the matter is simply this. In the VIA cuts that were announced on that date by the minister, cuts which have met with so much opposition from coast to coast, there are many areas that have to and will experience from January 15 onwards a very reduced service of passenger rail service. The reality that we face in northern Ontario is the fact that we do not have a reduced service. As of January 15, 1990, we no longer have passenger rail service through northern Ontario in the communities of Marathon, Terrace Bay, Shreiber, Nipigon, Red Rock, Kirkit, Dorion, Thunder Bay, Ignace, Dryden and Kenora as it goes up into Winnipeg.

These areas just mentioned enjoyed passenger rail service in this country for over 100 years. It is doubly difficult to accept that move by the government because in this particular area we do not have the infrastructure that many other areas of our country have with respect to roads. Some of the communities that I mentioned have alternate bus service or adequate roads or airport terminals.

The very logical question I asked the minister is how he could make that decision. The response I received was that in the decision, we considered it was better at the time to keep the service for what is called the remote communities rather than for Thunder Bay and Sudbury which have better modes of transportation.

After making those statements, I invite the minister to visit Thunder Bay and Sudbury. Perhaps he would like to tell the people directly that he figures it would be better to provide a service where there are no people than to provide a service in Sudbury where there are approximately 125,000 people and also in Thunder Bay where there are 125,000 people.

I do not question that there may be some remote areas in Canada which do not have access to other modes of transportation. However, I assured the minister on that date and subsequent to that that the line he cut, the line from Sudbury or Capreol through to Thunder Bay and on into Winnipeg was not a remote route any longer, nor did it test on all the communities on that route, nor did it pass the test of remoteness.

What is the critical test of remoteness? It is whether any of these communities have any other means of transportation. I showed in explicit form, based on the statistics already mentioned that the communities, although perhaps remote at one time, within the 12 years since VIA has existed, were now accessible by a fair quality of highway. They were accessible by bus or a combination of bus–highway or an adequate airport. So the test of remoteness did not apply in this particular area from Capreol or Sudbury through the southern route to Thunder Bay, Ignace, Dryden, Kenora and on to Winnipeg.

• (1825)

Both of those arguments were not only made in this House, they were made in committee and in personal meetings with the Minister of Transport and in personal meetings when the mayors and reeves of all of these communities in northern Ontario came to Ottawa to meet with the minister to see if they could get a change of mind.

The minister responded to my supplementary question by saying that it has been a scenario we have used for the whole country. We have people in this country who do not have any other mode of transportation. As I have said, I do not disagree with this. What I object to is the government labelling the CN line as remote when it is actually not, and it does not present a factual, logical conclusion to the argument I have just made.

I see that my time is running short. Let me just rephrase the question for my hon. friend. I appreciate him being here to reply.

It still does not make any logical sense that the northern route through northern Ontario was chosen rather than the southern route. If he can explain to me, through you, Mr. Speaker, why it is better and more economical to service 14,000 people rather than to service 256,000 people with passenger rail service in this country, I would like to hear his answer.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to take the opportunity to respond to the hon. member for Thunder Bay—Nipigon about his question on the selection of which northern route to take in the reorganization of VIA's transcontinental service.

I am sure that in the next few minutes, I will not convince the hon. member that they have made the right selection, because he obviously has a bias in this. He comes from Thunder Bay—Nipigon, and that is one area not represented by VIA to the fullest extent that it has been in times past.

As part of the government's announcement of a national, affordable and sustainable network, the minister indicated that VIA would continue to provide service to truly isolated communities with no alternative means of transportation.

Back in October when the hon. member raised his question, he said that the communities from Sudbury to Chapleau, White River, Marathon, Nipigon, Thunder Bay, Dryden, Kenora and on to Winnipeg will lose their rail service link along CP's line in northern Ontario. In making that statement, I think he was playing around a little bit with his geography. He knows the area well, far better that I do. But in making his statement, the hon. member has overlooked the fact that VIA's Sudbury–White River service on the CP rail line continues in place under the government's decision.

It may be that the hon. member has overlooked these communities in making his statement. I can assure him that they were not overlooked when the decision was being made about what lines would have to be cut in order to fit within the framework of the money that we wish to expend in the subsidies to VIA Rail.

Similarly, the truly remote communities of the Winnipeg–Capreol portion of CN's line will be covered by operations of VIA's new restructured transcontinental service. For the communities between White River, Thunder Bay and Winnipeg, my information is that the total population of that particular area is only about 150,000 and not 350,000. We will have to sit down together and go through these numbers.

We also know that these communities are all served by the Trans–Canada Highway and all have high frequency bus service. In conclusion, the choice of routes reflects the government's intention to strike a balance between the transportation needs of Canada and the fiscal realities. The government's decision is not only financially responsible, but it meets the needs for a sustainable, national network.

I can also say in all truthfulness that the decisions were very, very difficult to make when it was decided what would be kept and what would be dropped. There is no way that you can satisfy all of the needs and what people would like to have through the rail passenger service.

[*Translation*]

Mr. Deputy Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, January 24, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

AZERBAIJAN

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the progress that the world has made in the area of political *rapprochement* over the last eight months appears to have stalled in the Soviet region of Azerbaijan. It is regrettable that the spirit of *glasnost,* the openness and acceptance of other ideologies, religions, values and peoples seem to have failed to bloom in a territory where ethnic differences have escalated to frightening levels.

Conflict is leading to oppression, violation of human rights and murder of ethnic Armenians in Azerbaijan. In this context, the military intervention of the Soviet Union, regrettable as any military intervention is, might in fact cause a stay in such conflict.

We call on the Secretary of State for External Affairs to seek assurances from the Soviet Government that the Soviet Union will seek a peaceful resolution to local difficulties, a solution which will protect the human and political rights of all Soviet citizens in Azerbaijan and that such a solution strive for the goals of peace and stability, making future Soviet military intervention unnecessary.

* * *

NATIONAL ILLITERACY STRATEGY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, nearly one in five Canadians cannot read and close to one-third of all high school students in Canada drop out before graduation. An illiterate adult will earn 42 per cent less than a high school graduate during his or her lifetime. Those statistics point to the alarming human and economic toll illiteracy is taking in Canada.

Over one year ago the federal government launched the National Literacy Strategy to help address this very serious problem. This strategy focuses on both remedial help for illiterate adults and the promotion of reading among children. Working with the provinces, businesses, labour and volunteer organizations, we are providing Canadians who have a literacy problem with the assistance that they need.

Mr. Speaker, 1990 has been designated by the United Nations as International Literacy Year, and thanks to the National Literacy Strategy millions of Canadians are being given an opportunity to participate more fully in our society.

* * *

LIBERAL PARTY OF CANADA

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to comment on a new set of circumstances for the Liberal Party of Canada.

As we all know, the Liberals looked high and low but they could not find a western leadership candidate. The member for Winnipeg South Centre wanted badly to run, but he could not get the megabucks needed to run for the leadership of that party.

Now that the Liberals have publicly stated that they will be flip-flopping on the trade deal, the rest of the candidates are in a bit of a flap over western support.

To the rescue sails the member for LaSalle—Émard. Much like you would advertise for a used car when you need one, this leadership candidate is advertising in Vancouver papers for Liberal supporters. This notion has a lot of possibilities. Will the Liberals be offering membership on a buy one get one free basis? Is there room for commission sales people to earn some extra income?

This seems like a very unusual development. Evidently the Liberals had to try something. Their policies certainly do not garner new members.

The Liberals are just full of surprises. After seeing this new advertising ploy, we are all looking forward to the day when the Liberals start recruiting on game shows.

* * *

THE ENVIRONMENT

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, a recently leaked cabinet report revealed that the introduction of legislation to create a central environmental assessment body for the review of all federal policy initiatives is being stalled.

Why is our government hesitating at a time when Canadians and international organizations are calling for stronger action on the environment?

The cancellation of VIA Rail service is a perfect example of federal government policy decisions which will seriously impact on the environment. The government has promised Canadians over and over again since 1984 that it will introduce this environmental legislation. Where is it?

The people are calling on the government to live up to its commitment. The environment is a priority for Canadians and must be a priority for the House as well.

* * *

[*Translation*]

CANADIAN FEDERATION OF INDEPENDENT BUSINESS AND THE GST

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, for a number of weeks the Canadian Federation of Independent Business has been using a recorded telephone message to urge Canadians to call their member of Parliament and object to the goods and services tax.

My staff and I take the time to answer each of these calls and explain what the GST is, why it must be introduced and what its impact will be on the caller and the Canadian economy.

When these people hear that a visible, 7 per cent GST will replace a hidden, obsolete and regressive 13.5 per cent tax, when we tell them that we must have the courage to take specific measures to clean up our public finances and reduce the debt and the deficit, and when they realize that this sales tax reform is essential to maintaining our social programs, they are very supportive and tell us to keep up the good work.

Mr. Speaker, I would ask the Canadian Federation of Independent Business to stop using scare tactics in their telephone campaign, especially where senior citizens are concerned. If it has any guts at all, the Federation should be able to make its point directly, not through other people as it is doing now. And it would be making a far more useful contribution to the debate.

* * *

• (1410)

SPORT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Superior Court has ruled in favour of Daniel Saint-Hilaire, the Quebec track and field trainer, who summarized the ruling handed down by Judge Yvan Macerola as follows:

First, he said: It has been successfully argued that any athlete may take legal recourse against the Canadian federation in a provincial court.

Second: From now on, sports federations will have to publish the criteria they use to select athletes and trainers for international sports competitions.

Before this ruling, the three trainers for jumping events selected by the Canadian association were all from Toronto. The Canadian federation determine, over a beer, who will be selected, and we saw what happened to Denis Julien from Abitibi-Témiscamingue and a number of other athletes and trainers in Canada.

Mr. Speaker, justice has finally been done. Three cheers for Daniel Saint-Hilaire and many thanks to Judge Yvan Macerola for his intelligence and skill!

* * *

[*English*]

EXTERNAL AFFAIRS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on November 28, 1989, Mr. Yih-Sheh Leo, a Canadian citizen of Taiwanese origin, was upon his entry into Taiwan arrested by the police, jailed, beaten and denied bail. To date he still remains in jail.

Mr. Leo was initially charged with illegal entry and sentenced to 10 months in jail. He was subsequently charged with sedition, a charge that carries a maximum

penalty of 10 years. I have learned from his wife, Mrs. Leo, that his trial date has not as of yet been set.

I would like to ask the Secretary of State for External Affairs first, to increase representations on behalf of Mr. Leo through appropriate channels; second, to ensure that a Canadian representative is present at his trial; and, third, to impress upon the officials of Taiwan that in light of our increase in commercial relations with them we expect at a minimum a respect for the fundamental rights of our citizens.

Finally, all members of our party urge the Secretary of State for External Affairs, if all else fails, to intervene directly with the appropriate authorities and secure the release and safe and speedy return of Mr. Leo to Canada.

* * *

INTEREST RATES

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, Canadians are encouraged to see Bank of Canada Governor John Crow hinting that he may be easing up on his high interest rate policies. Last week Mr. Crow allowed the bank rate to drop by 29 basis points to 12.14 per cent, hopefully the beginning of a trend.

We all know that Mr. Crow has been keeping interest rates high to fight inflation. We also know that inflation has been dropping steadily since last summer.

Mr. Crow, you have done a good job. Now ease up.

* * *

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, the Prime Minister was wrong when he said that there is no crisis in Atlantic Canada. There is a crisis caused by mismanagement of the northern cod resource and by government financial hand-outs to corporations which have exhibited absolutely no sense of responsibility to communities, plant workers and fishermen. The question will not be resolved by fiddling with quotas while the cod stocks disappear.

The coal miner's canary is sick in the Atlantic provinces and near death in Newfoundland. We need a Marshall type plan to fill in while the cod stocks rebuild. There is municipal infrastructure work that needs doing in every community in Atlantic Canada. Programs announced by the government providing for a year by year decline in cod stocks and the redirection of government spending are not good enough.

Give the fish a chance. Get out of the water. Work on land. We cannot wait for the next election. Act now to fight the crisis.

* * *

NORTHERN TAX GUIDE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, for the third year in a row, the general tax guide is being mailed to northern residents without the northern tax guide or form. As in past years, taxpayers in the north cannot do tax planning as they are kept in the dark about when they can expect to receive the guide and claim their tax benefits.

For trappers who work in the bush and other workers in the bush who only come into town every two months, this is an extra trip. Individuals who want to file their returns early in order to get back the money the government owes them have to wait until next year until Revenue Canada gets around to them.

The minister promised a simplified tax system. Is this the simplified system we can expect, a system that costs twice as much, takes twice as long and is double the trouble?

I call on the minister to ensure that the northern benefit tax guide and forms are sent immediately to eligible residents and to ensure that next year they are included in the general tax guide.

* * *

TOBACCO SMOKING

Mr. Stan Wilbee (Delta): Mr. Speaker, on this designated Weedless Wednesday it seems appropriate to review some of the statistics relating to tobacco smoking.

As an incentive to encourage ourselves, our friends and our loved ones to avoid the smoking habit like the plague, we note that fully one-quarter of all adult deaths occur as a result of smoking. Some 35,000 deaths annually are attributed to tobacco. Of 100,000 15 year

olds who currently smoke, 18,000 will be killed through the use of tobacco by the age of 70.

As a physician who has witnessed the tragedy and agony of smoking related illnesses and deaths, I want to commend our government for the progress made. We note with encouragement that the percentage of teenagers using tobacco dropped from 25 to 20 per cent last year. I am hopeful that the government's continuing efforts will result in a substantial drop in illness and deaths related to smoking.

Most of our government workers now enjoy a smoke-free environment, and what better gift can we give those within our own families than a smoke-free home environment. We applaud the many Canadians who have successfully kicked the habit and offer encouragement and support to those who are attempting to do so. The results are well worth the struggle.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this government's support of the OSLO oil sands megaproject in northern Alberta is criticized, and rightly so, by those who take global warming seriously. Each barrel of oil thus produced will release four to five times as much carbon dioxide into the atmosphere as a barrel of conventional oil. The oil industry also criticizes the oil sands megaproject on economic grounds.

However the Minister of Energy, Mines and Resources continues to defend the oil sands project which will cost taxpayers a fortune. He thinks it is necessary for energy security. He is wrong. Douglas Stoneman, senior vice-president of Shell Canada, told the energy committee that the OSLO oil sands project is not necessary for energy security. Mr. Stoneman added that subsidizing conventional technology for an uneconomic project is simply a burden to the taxpayers.

We say to the minister: "Don't aggravate the climate warming problem. Come to your senses at last and practise sustainable development."

ORAL QUESTION PERIOD

[*English*]

THE JUDICIARY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. The independence of our judiciary has been fundamental to our parliamentary system since the Settlement Act of 1700.

That independence of judges was reconfirmed by two Acts of the Union Government of this country in 1843 and in 1867. Sections 96, 99 and 100 of the British North America Act, reconfirmed in 1982 by the Constitution Act, established completely the independence of judges in Canada. The rule is clear. Members of a government, members of the cabinet, cannot pick up the telephone and call a judge about a case that is being considered by that judge.

The Minister of State for Fitness and Amateur Sport did just that. He has now confessed that yesterday he did indeed telephone Mr. Justice Macerola of the Quebec Superior Court about a case then under consideration by that judge just before the judge was due to render a judgment.

Has the Prime Minister, in these circumstances, asked for and has he received the resignation of the Minister of State for Fitness and Amateur Sport?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of State for Fitness and Amateur Sport has been and continues to be a very honourable member of this House of Commons with a very substantial respect for its traditions. Because of his respect for that and his great regard for the independence of the judiciary he communicated with me and offered to submit his resignation, and I accepted it.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I know that that weighs on the Prime Minister's mind, and I am satisfied with that particular response.

• (1420)

Earlier today two of his ministers, one being the minister of industry, said that the rule only applies to criminal cases and not civil cases, that there was no

evidence that the minister of state called to influence the outcome of the judge's decision and certainly he did not try to gain a benefit in any way. That was the minister of industry's comment.

[*Translation*]

The Minister of State (Finance) said: "I would have done the same, in the circumstances."

[*English*]

On March 12, 1976, Prime Minister Trudeau laid out the rule clearly for members of a government, I believe. Mr. Trudeau rose in the House of Commons and said, as reported at page 11771 of *Hansard* for March 12, 1976:

> —in future no member of the cabinet may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities, except through the Minister of Justice, his duly authorized officials or counsel acting for him—

Will the Prime Minister communicate to the ministers I have cited and any others the rule set forth for members of the government, and will he tell the House whether the rule and guideline set forth by Mr. Trudeau in 1976 still applies to his administration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend refers to some historical precedents. There is indeed reference in *Hansard* to a call made by the then President of the Treasury Board, I believe, Mr. Chrétien, to a judge which was referred to in an inquiry. There was a call made by Mr. Drury to a judge.

The Chief Justice of the Superior Court of Quebec investigated and indicated that it was a grave breach of convention and propriety. Notwithstanding that, I understand that the Prime Minister of the day indicated, and I quote from page 11771 of *Hansard* of March 12, 1976:

> But the associate chief justice clearly was of the view that the call from the Minister of Public Works did not warrant formal protest.

A minister of the Crown had called a judge of the Quebec Superior Court. The Prime Minister then went on and said:

> I do not excuse the minister's lapse of judgment in this matter. I sympathize with his good intentions, but I do not condone what he did.

Then the Prime Minister said, notwithstanding what took place:

> —I have come to the conclusion that I should not accept his resignation.

We had a situation where ministers of the Crown communicated with judges and the then Prime Minister decided that he should not accept their resignations.

I have come to the conclusion, a minister of the Crown having in good faith communicated with a judge, that I will accept his resignation because I believe that that is part of the finest traditions of this House.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has in no way commented on the statements made by his two ministers.

To be fair, Associate Chief Justice Deschenes examined the issue involving Mr. Chrétien and two other ministers at the time and found that they had been satisfactorily dealt with, so the Prime Minister is not fairly quoting from Mr. Deschenes' reply. Frankly, I do not think there is any reciprocal evidence that is valid before this House of Commons.

I want to ask the Prime Minister one further question. Now that he has accepted the minister's resignation from New Zealand, has he recalled the minister since he no longer has any role to play at the Commonwealth Games?

Some Hon. Members: Oh, oh!

Mr. McKnight: What's your continuing function, Turner? Still drawing a salary?

Mr. Speaker: Perhaps given the gravity of the matter that is being discussed, members, including ministers, on both sides could refrain from comment unless they have the floor. The right hon. Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend refers to the report by Mr. Justice Deschesnes. Page 11777 of *Hansard* for March 12, 1976 reads as follows:

> Mr. Justice Aronovitch has provided me with the following description of the event which he has authorized me to transmit to you:
>
> Some time in October 1971, Mr. Jean Chrétien, whom I did not (and still do not) know, telephoned to find out when I would render judgment. He identified himself to me, not as a cabinet minister, but

> as a member of Parliament interested in the people in his riding or constituency where apparently the petitioner was operating.

Those are the facts that took place.

Mr. Turner (Vancouver Quadra): Table the whole letter.

An Hon. Member: Yes, table it.

Mr. Speaker: The right hon. Prime Minister.

Mr. Mulroney: The reference to that was made by the Leader of the Opposition. I would just point out to him that I believe that most members of the House, if not all, would agree that irrespective of those precedents with which we may or may not agree, the action of the Minister of Fitness and Amateur Sport was the proper one.

This is why today I said in a communication which I would be happy to table that I accept his resignation with a genuine sense of sadness. His communication with the court was clearly motivated, not by any desire for gain or favour but rather in the clear belief that he was acting in the best interests of the Canadian sporting fraternity. That he should have offered to resign in these circumstances is an indication of the high regard in which he holds both Parliament and his responsibilities as a minister.

I believe the action of the young Minister of Fitness and Amateur Sport is a great tribute to his character. I salute him for it, and I know all members of the House will.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, Canadian fishermen do not want to be retrained. They want to fish and they want to know why this government is giving this year, in 1990, not only cod quotas to France but also red-fish quotas to the Soviet Union and to several other foreign countries and Greenland halibut quotas to several foreign countries, all within Canada's 200-mile zone licensed by this government.

Is the Minister of Fisheries and Oceans aware that in the plant which is closing in Trepassey in the minister's riding they process mostly flatfish, things like Greenland halibut, not codfish, and that in Gaultois in the hon. member's riding where the plant is closing they process all red-fish, not one ounce of codfish.

We want to know why this government has agreed in 1990 to give to the Soviet Union, in zones 3-N and 3-O on the east coast of Newfoundland within 12 miles of our shore, the entire east coast, the NAFO quota, 10,900 tonnes of red-fish, and to give Canadians 300 tonnes less than what the Soviet Union is getting. Canadians want to know why.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the member for Gander—Grand Falls knows full well that Canadians are welcome to all of the fish stocks within our Canadian 200-mile economic zone that they can harvest on a first priority basis and that fish outside the 12-mile limit do not belong to Canada but are entrusted to our use only when we can use them.

• (1430)

The hon. member is again crying wolf, and as was so aptly pointed out the other day in *The Chronicle-Herald*:

> Meanwhile, Mr. Baker's habit of reducing complex problems to the single issue of foreign fishing is neither credible nor useful—no matter how much people in his riding are suffering.
>
> This industry has enough real problems, without inventing new ones.

That is the opinion of *The Chronicle-Herald*, and that is the opinion of many Atlantic Canadians.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I am of the opinion that this minister probably believes that because it is called "red-fish" it belongs to the Soviet Union; and that because it is called the Greenland halibut it belongs to Greenland; and that American plaice belongs to the United States. There is one fish name that belongs to this cabinet; it is called yellow-tail flounder.

Some Hon. Members: Hear, hear!

Mr. Baker: It has not a fillet of sole in it.

I want to ask the minister this about zones 2G and 2H, which as you know, Mr. Speaker, the majority of which lie on the Labrador coast. It is the Hamilton Banks, the spawning ground for our northern cod. All of it lies within the 200 mile zone. Why has this government allocated a foreign quota of codfish which increased 11,400 tonnes for this year, up 1,000 tonnes to foreign nations and the Canadian quota down 1,000 tonnes to

8,600 tonnes, with a footnote which states: "For bilateral commitments"?

What bilateral commitments does the minister have in mind? The chief bilateral commitment is to the people of Canada. Why is this minister giving favouritism toward the foreigners?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member can engage in his fishy business on and on as he always does. But, as I will show in a moment, it is the Liberal party that is very much floundering around on this issue. This government has Canadianized the Canadian fishery and reduced foreign quotas within our waters to very low levels compared to what they were under the Liberal government.

In fact, we have ended some 25,000 tonnes of fishing effort on our primary codstocks by the European Community and France as a result of conscious decisions taken by this government.

It is passing strange that the hon. member's colleague from Halifax would urge me strenuously this week to allow an American fishing vessel to be allowed to fish in replacement of a Canadian vessel on codstocks off Newfoundland. Yet this member has the hypocrisy to condemn this government when he should be looking at himself and his colleagues in the face in the mirror.

* * *

THE JUDICIARY

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question concerns the resignation which was the honourable course of the Minister of State for Fitness and Amateur Sport in light of the many precedents which were established by Messrs. Chrétien, Lalonde, Drury and Munro in this House.

I want to ask the Prime Minister if he will clarify whether or not it is the policy of this government, and particularly of this Prime Minister, that it is essential to establish firm, unequivocal standards relative to the absolute independence of the judiciary of Canada and absolute restraint from any kind of involvement or intervention by ministers of the Crown with any court anywhere in the country.

Those were the words of the now Secretary of State for External Affairs which resulted in the clear statement by the then Prime Minister Trudeau with respect to policy in this area.

Is the policy statement by Prime Minister Trudeau of March 12, 1976, with respect to this matter still in effect for his government?

Right Hon. Brian Mulroney (Prime Minister): I have difficulty understanding the question because my hon. friend refers to precedent. The fact is that Mr. Chrétien, in 1971, communicated with a judge and did not resign. Mr. Drury, in 1976, communicated with a judge and did not resign. Mr. Kaplan, then Solicitor General, in 1982, wrote to a judge and did not resign.

We have guidelines that indicate that no minister may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacity, except the Minister of Justice.

The fact is that the Minister of State for Fitness and Amateur Sport communicated with a judge, even though he sought neither gain nor favour nor personal advantage of any kind, having been asked to make the intervention on behalf of the Canadian sporting fraternity as international games were opening up in New Zealand and a difficult matter had to be resolved. Even with those extenuating circumstances he did communicate with a judge. I believe that was a violation of the guidelines, as a result of which I accepted his resignation.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the Prime Minister indicated that the minister was asked for his intervention by the Canadian sporting fraternity, specifically, presumably, by the Canadian Track and Field Association. The minister made a similar statement.

However, in view of the fact that I spoke this morning with the lawyer for the Canadian Track and Field Association who stated categorically that neither she nor her partner had made any request whatsoever for intervention by the minister, I want to ask the Prime Minister whether he would reconsider that statement and in fact agree that no such request was made whatsoever.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the minister has resigned. Yet the NDP, this not being good enough, continue to harass and ask me for

explanations that are completely irrelevant to the subject.

Surely the hon. member is not alleging that the minister did anything with a criminal intent or sought to take personal advantage of anything. There was a technical violation of the guidelines and the minister resigned.

This should have been a precedent that was enforced throughout the 1970s; it apparently was not.

I think the minister in resigning did the honourable thing, which is completely consistent with the very impressive reputation he has acquired across Canada and the very brilliant future he has in store.

[*Translation*]

Mr. Svend J. Robinson (Burnaby—Kingsway): I wish to ask the Prime Minister a supplementary question, Mr. Speaker. In 1976, Prime Minister Trudeau announced guidelines for contacts between members of the judiciary and members of Parliament and ministers. I again ask the Prime Minister: Are these strict guidelines still in effect with him and his government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member talks about precedents. It is well known that in 1971, the Hon. Jean Chrétien made a phone call directly to a judge of the Superior Court of Québec. He did not resign. The Hon. Bud Drury in 1976 intervened directly with a Québec Superior Court judge and he did not resign. The Hon. Robert Kaplan, then Solicitor General, wrote to a judge in 1982 and he did not resign. The Hon. Jean Charest intervened on behalf of the sports community because of the New Zealand Games. He did not intervene for personal reasons. Technically he violated the regulation. He was honourable enough to resign. That is something that should have been done in other circumstances by others in the past.

* * *

[*English*]

FISHERIES

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Prime Minister. It concerns this government's woeful response to the crisis in the Atlantic fishery.

The Prime Minister over and over again has promised generous assistance for those communities hard hit by the downturn in the Atlantic fisheries. But all we seem to get is empty rhetoric.

• (1440)

We hear from the Minister for International Trade that it will be old programs recycled and new money.

We hear from the minister opposite who is responsible for the Atlantic Canada Opportunities Agency that it will indeed be recycled money from recycled programs. The same program that is expected to give the funds is a program called ACOA which was severely crippled by the axe of this government last spring.

My question to the Prime Minister is this. Why does the Prime Minister insist on robbing Peter to pay Paul instead of finding the money necessary to address this very serious crisis caused by his government's own mismanagement in the Atlantic fishery?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in terms of the Atlantic Canada Opportunities Agency, it has approved some 7,000 projects in Atlantic Canada with some $600 million from the federal government which leveraged $1.6 billion to create 18,000 new jobs in Atlantic Canada. That is the kind of co-operation that Atlantic Canada has been getting from this government. I think that is the kind of co-operation Atlantic Canada wants.

My hon. friend refers to the fishery. There has been $130 million put forward already. There are initiatives internationally and nationally to deal with what is a grave crisis in the Atlantic fishery—I have acknowledged that many times.

Yesterday, as Premier McKenna indicated in an interview in New Brunswick, there is no crisis in the Atlantic Canadian economy. There are areas of strong growth. Premier McKenna, whose province led all Canadian provinces in investment growth last year, wants to do it again this year.

I suppose what he is too polite to say is that the only problem that could occur in New Brunswick is the bad-mouthing from the Liberal members of Parliament which could have a negative effect on investment intentions in Atlantic Canada.

Mr. MacDonald (Dartmouth): Mr. Speaker, my question is again to the Prime Minister. It is pretty incredible that he is getting up on his feet and talking about all the good work that has come out of the ACOA program. If it

was so good, why did it fall under the government's axe last spring? Why did it stretch the ACOA program from five to seven years, effectively cutting it by 20 per cent?

Will the Prime Minister now give us and the people of Atlantic Canada an assurance that the ACOA fund will not once again be attacked and ravaged by this government? Will he also give us an assurance that the additional funding necessary will be found to address the crisis in the Atlantic economy caused by this government's absolute and utter neglect?

Mr. Mulroney: Mr. Speaker, unemployment is a pretty good barometer to show how well an economy is doing. Unemployment in Newfoundland since we were sworn in has gone down 7 per cent from where we took it from the Liberals.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Unemployment in Nova Scotia has gone down 4 per cent and unemployment in New Brunswick has gone down 3 per cent.

Regional development programs under the last Liberal government averaged $185 million a year. That was increased in our first mandate to an average of $285 million. This mandate it is $425 million, an increase of 51 per cent. That is the kind of contribution we are making to Atlantic Canada.

It is, I am sure, depressing for Atlantic Canadians to see that they send members who do not even recognize the good areas of economic growth in Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador. There are areas of difficulty. We are working to improve them, but the hon. member should stop being a gloomster and a doomster and try a little nation-building for once.

* * *

[*Translation*]

SHIPBUILDING

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of State for Science and Technology. We have learned that Mr. Tessier, the president of Marine Industries, suggested a three-point plan to the minister: namely, that the federal government share the accumulated losses with the Government of Quebec, that the contracts on hand be reviewed on a new basis and that the federal government ensure the future of the shipyards beyond 1992.

Mr. Speaker, we already know that the minister has already rejected these three proposals. Does he have other solutions to put forward? Is there another plan to save the disappearing shipbuilding industry in Quebec?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I have indicated in a letter to Mr. Tessier and in conversations with Mr. Tremblay, the minister in the Quebec government with responsibility for MIL, we are certainly willing to enter into discussions with him to find ways in which we can be of assistance to MIL in view of its circumstances and the doubt cast on its long-term future.

We understand that, commiserate with it they are willing to participate in discussions. I will be meeting with Minister Tremblay on Friday to extend those discussions. We will see if we can find a solution.

I do not think it is useful to try to negotiate publicly, through the press or through holding demonstrations of various sorts, but we certainly are going to be co-operating with the Quebec government and MIL.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I would like to remind the minister that thousands and thousands of jobs have been lost in the past five years and we have almost no shipbuilding industry anymore anymore because of this government's *laisser faire* policies. About 2,000 jobs still remain. Will you act immediately to save the shipbuilding industry and these 2,000 jobs or will you continue to talk and, as usual, everything will disappear in Quebec?

[*English*]

Mr. Andre: Mr.Speaker, as evidenced by the over 1.5 million new jobs created by this government in the last five years, jobs are very much of interest to us. There is a surplus of capacity in the shipbuilding industry. The

member for LaSalle—Émard, who is in the shipping business, is having all his ships built in Brazil.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. Andre: That is one of the things that we are having to deal with, but we are wrestling with that problem and will address it.

* * *

WAYS AND MEANS

Mr. Lorne Nystrom (Yorkton—Melville): My question, Mr. Speaker, is for the Minister of Finance.

I wonder if the Minister of Finance can explain this to the House. On December 19, when he tabled a notice of Ways and Means in the House related to the goods and services tax, a very important part of that Ways and Means Motion was an increase in the surtax for wealthy Canadians, and an increase in the large corporations tax, which would have resulted in an increase in tax for those people of some $400 million per year. Can he explain why in the motion we concurred in yesterday these two items are mysteriously missing? They went up in a puff of smoke. They are no longer there.

I want to ask the minister quite bluntly, did he deliberately omit those two items in the Ways and Means Motion we passed yesterday? Can he explain why he has decided to omit this tax increase for his wealthy friends in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it saddens me to hear this hon. member, who has been in this House for a number of years now, spread stories which he knows are not true. He knows that my assistant spoke directly to his assistant and told him clearly why those particular pieces of legislation were not covered in the Ways and Means Motion.

The proposal of December 19 still stands. The income tax amendments from the last budget are still before the Senate. As soon as those items are passed the amendments that I referred to in the December 19 statement on the large corporations tax and the high income surtax will be made the subject of new legislation.

He knows that. He knows perfectly well that he was told that by his assistant. Yet he deliberately fosters these untrue stories in order to confuse people.

Some Hon. Members: Hear, hear!

Mr. Speaker: There has been a serious allegation made by the minister. It amounts to an allegation of untruth on the part of the hon. member. I would ask the hon. minister to withdraw.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will withdraw the statement that I have made. But I will say, Mr. Speaker—

Some Hon. Members: No!

Mr. Wilson (Etobicoke Centre): —that the hon. member's staff was advised of the information that I just expressed to the House today.

Mr. Speaker: The hon. member for Yorkton—Melville.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the press yesterday it was said, and I quote: "The minister's spokesman, John Fieldhouse, later said, 'The measures will be included in amendments to a tax bill currently in the Senate'."

I would like to ask the Minister of Finance to explain how he can give the Senate the new prerogative of amending a tax bill which is a bill to increase taxes on individuals and increase taxes on corporations. How can he give them that prerogative?

• (1450)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, this is blatant mischief-making on the part of the hon. member. I made it quite clear in my statement on December 19 and I just made it very clear two minutes ago that the large corporation tax amendments I announced on December 19 will come to pass, if passed by this House. The increase in the high income surtax that I announced on December 19, if passed by this House will come to pass.

I would appreciate it, and I think Canadians would appreciate it, if their members of Parliament would not do the things that—now the hon. member is waving about a piece of paper, a newspaper report.

Would the hon. member check with his assistant to whom my assistant spoke and to whom he gave the

precise information? Would he explain to the House why he persists in leading people astray by misleading statements?

* * *

[*Translation*]

CANADA POST CORPORATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the minister responsible for Canada Post Corporation.

In 1986, the Canadian government advised Canada Post Corporation that it was reducing the subsidies for air transport services. Canada Post never informed the northern regions of these cuts and since 1986 has never increased its rates for commercial shipments of food and medicine to these northern regions.

Mr. Speaker, my question is this: Can the minister tell me why Canada Post Corporation did not increase its postal rates in 1986, 1987, 1988 and 1989 for northern regions?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the hon. member indicates, there has been a reduction in the postal subsidy for northern rates. The subsidy has been reduced by $1 million a year.

For the first two or three years the post office was able to make up those reductions by various efficiency gains. Those efficiency gains are no longer possible. Thus adjustments were made this year.

As a result of discussions and representations by the hon. member and others, there has been a 5 per cent decrease in the announced rates and a freeze on those rates for the next year while the Department of Indian Affairs and Northern Development undertakes an investigation to see how in fact the needs of northerners can be looked after, while at the same time respecting the fact that we have a $30 billion deficit to deal with.

* * *

OLDER WORKER ASSISTANCE

Mr. George Proud (Hillsborough): Mr. Speaker, my question is to the Minister of Labour.

Last week the minister announced that $13.1 million had been allocated to assist some 216 laid-off workers in Quebec in specific industries who may be eligible for assistance under the Program for Older Worker Assistance. Given that there have been a multitude of closings across this country, can the minister today give a detailed breakdown of the moneys from the Program for Older Worker Assistance that have been allocated to all other provinces, industries and companies?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I obviously do not have at my disposal all the details sought by the hon. member of the Opposition, but I can tell him that so far federal and provincial committees in three provinces have dealt with lay-offs in each of the provinces. We are now looking into 49 lay-offs affecting 1,200 people, older workers, whom we will help with POWA, and I will be pleased to send him details of what has been spent up to now.

[*English*]

Mr. George Proud (Hillsborough): Mr. Speaker, during the briefings that I had with Labour Canada, and all through the process on the bill when it was going through the House, one of the things that was stipulated was that the numbers would not play a specific role.

Can the minister assure us that in a small community where there are 5 to 10 or 15 to 20 workers laid off, something which would have an impact equal to some areas of Canada where 200 or 300 workers are laid off, that these people will be treated in the same manner?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am pleased to confirm for my colleague that POWA has indeed been designed with the necessary flexibility to help workers 55 and older in communities and places with smaller populations.

In co-operation again with the provincial committees, we adopted rules requiring that the number of unemployed or laid-off people be proportional to the population involved in the same kind of activity in each municipality.

So far, each of these committees in each of the three provinces has performed admirably, to the satisfaction of provincial and federal authorities.

[*English*]

TRADE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is to the Prime Minister or to the acting Minister of Energy.

A number of companies have indicated their intention to use the free trade agreement to challenge a recent decision by the National Energy Board refusing a number of gas exports to the United States.

I want to ask the Prime Minister what action his government will take if these challenges are successful. What will he do to defend the board whose powers are under attack as as result of the trade deal that this government signed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House well knows the rules with respect to hypothetical questions. Naturally, the hon. member would not expect me to answer a question based upon any hypothesis, particularly one as improbable as that.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my supplementary question is to the same minister.

As we all know, the board is publicly conducting a review of the cost benefit analysis. We also know that the U.S. government is lobbying this government behind the scenes.

The question I want to ask the minister is this. What assurances has this government offered the American government with regard to the powers of the National Energy Board? Will the board's upcoming policy review be an independent and meaningful review, or is it really a foregone conclusion?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the review is independent. It is meaningful. It is Canadian.

If the hon. member is suggesting that some other countries are making Canadian policy on these questions, then she should in the first place have the courage to state that directly and in the second know that she is wrong.

COMINCO

Mr. Sid Parker (Kootenay East): Mr. Speaker, my question is for the Prime Minister.

The federal government invested $79 million in Cominco so that the company could upgrade its smelter in Trail, B.C. At the time Cominco said that the main supplier of the zinc to the smelter would be the Sullivan Mine in Kimberley, B.C.

Last Thursday Cominco announced that the mine would be shutting down in two weeks at a cost of 865 jobs to Kimberley. Cominco has refused to give the people of Kimberley a satisfactory explanation for destroying their community.

I would like to ask the Prime Minister this. Will his government, as one of the major shareholders in Cominco, demand that the company come clean with the people of Kimberley as to why they are now out of work while the people of Alaska will be benefiting from the shutdown?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the hon. member knows, that mine has been there for a considerable period of time. It has been mined for years and years. They have simply reached the stage where the high cost of operating an old mine at deep depths, with lower quality ores and so on has simply made it uneconomic.

The New Democratic Party, which claims that it is looking forward, has a basic policy in all of these questions: No change. Even if you run out of ore, it would keep the mine open with people apparently digging material that is not worth the cost of operating the mine.

As is always the case, this government is very concerned about the workers. This government will bring to bear all of those safety-net provisions that are available that help those four million Canadians who change work every year in this country.

• (1500)

Mr. Sid Parker (Kootenay East): Mr. Speaker, my supplementary question is for the Prime Minister. This mine made over $9 million in profit last year. It was used for getting the loan that the federal government put forward. What is the Prime Minister going to do for this community? This is a single-industry town that requires

assistance. What is the Prime Minister going to do to alleviate the devastation that they have created in Kimberley, British Columbia?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I indicated in reply to the hon. member's initial question, this is not a unique event in Canada. This is a mining country, where mines run out of ore and have to be shut down; or prices change. As a result of that experience, there are a large number of adjustment programs in place, a safety net, if you will, which will be brought to bear to help the workers who are affected by this quite natural event. At the end of their lifetime mines shut down and cannot be kept operating if they are no longer economic.

* * *

[*Translation*]

COMMUNICATIONS

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, my question is directed to the Minister of Communications. In last Tuesday's edition, the newspapers *Le Soleil* and *Le Droit* reported that Quebec had obtained only 2.2 per cent of all research contracts awarded since April 1989 by the Department of Communications, that is only $122,000 out of a total of $5.5 million. Furthermore, if we consider the total number of research contracts awarded by the federal government, Quebec, which has nearly one-quarter of Canada's population, received only 10 per cent of $158 million worth of contracts awarded in Canada. What explanation does the Minister have for this situation and what action does the government intend to take to ensure that Quebec receives its fair share of federal research contracts?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, when he mentioned 2.2 per cent in his article yesterday, columnist Michel Vastel was referring to a small fraction of the Department of Communications' research and development efforts. He was considering only those contracts that are awarded through the Department of Supply and Services. He did not include contracts, grants and contributions made directly by my Department. In fact, 33 per cent of the Department of Communications' expenditures and investments in the field of research and development go to Quebec.

* * *

AIR SAFETY

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Prime Minister. Since December, there have been three tragic air accidents in the region, which caused the death of five people. It seems that bad weather was responsible.

[*English*]

Is the Prime Minister or any of his ministers aware that since October 1 weather information at Ottawa Airport is now collected by a private contractor, by employees who have one-quarter the training of environment staff who formerly did the work, that the information gets sent to Toronto then back to Gatineau where pilots have to get it by phone from Transport Canada employees who have four higher priority jobs?

Does the minister think that this absolute mess is good enough when people's lives are at stake, or will he call an immediate inquiry to ensure that further lives are not in danger?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, perhaps you would allow me to answer this question. All of us in this House obviously share in the sorrow that always accompanies such tragic accidents.

However, it would be wrong to say today or at this particular moment that this accident or any other near-misses that the hon. member refers to had anything to do with weather conditions. An inquiry is obviously under way and it will be determined what the cause of this accident was.

I can tell the hon. member that the weather services which Environment Canada provides for Transport Canada and its flying constituency have been significantly improved over the last little while. We will have to await the outcome of the investigation.

* * *

POINT OF ORDER

WAYS AND MEANS MOTION

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order relating to the Ways and Means Motion that was tabled on Monday, January 22 and concurred in yesterday. As a result of Standing Order 83, no one in the House was able at that time to debate the motion or

provide any amendments to the motion. In a sense, no one could even add any commentary. It was simply dealt with in the usual way.

Having now examined the process, to me there appears to be a very serious irregularity regarding the motion. I raise this point of order today to ask the Chair to determine whether or not it would be appropriate at this point to permit a bill to proceed which will be based on this motion.

Mr. Speaker, you will recall that the motion proposes that a good and services tax of 7 per cent be imposed after 1990 and that the tax be as set out as the motion indicated in two documents. One of these documents was tabled in the House just over a month ago. The other document referred to as a goods and services technical paper was issued by the Minister of Finance on August 8.

Members, most of whom I am sure went to the Journals Branch this morning to get a copy of this technical paper, discovered as I did that such a document has never been tabled in this House. It is not a sessional paper. As I am not privy to all the papers issued by the Minister of Finance in the period of the summer, I can only guess as to which technical paper the Ways and Means Motion refers to.

The process of passing motions which refer to documents that are not before this House—motions, I might add, which can result in the passage of bills imposing taxes—causes members serious concern. It raises some important questions.

The first question it raises is the general question as to whether the government is establishing new parliamentary and constitutional traditions. It used to be that money bills had to originate in the House of Commons. Now, we have budgets which originate in press conferences and tax bills which are founded, at least in part, in documents that have been released through the press. This question was raised in the House following the budget fiasco last April, and I must say, if my memory serves me, the Chair has yet to offer an opinion on that question.

The second more troubling question relates to the implications of what the House will be enabled to do to a bill which flows from a Ways and Means Motion based on a non-parliamentary document.

The twenty-first edition of Erskine May cautions that amendments to tax bills must not exceed the scope, increase the amount or extend the incidence of any charge upon the people defined by the terms of the ways and means resolutions by which the provisions proposed to be amended are authorized. It is further offered that when a tax is imposed in a bill which is less than a ways and means resolution that amendments are in order in committee on the bill to increase the tax up to the limit laid down by the ways and means resolution. This becomes very critical at this point. The technical paper referred to by the Minister of Finance in his motion that was adopted yesterday by this House referred to a 9 per cent goods and services tax. Does this mean that the House, or a committee of the House, can increase the tax up to 9 per cent, as reflected in the document referred to in the Ways and Means Motion?

In conclusion, Mr. Speaker, I simply ask that you review this general question and rule on whether the adoption of yesterday's motion has breached parliamentary tradition as we know it in the House of Commons, rule on whether it has established a very dangerous precedent in reference to documents that have never been tabled before this House, and to rule on whether it throws into question the rights of the House over tax issues generally.

Finally, I would ask that you consider whether this imposes a very uncertain scope around this goods and services tax bill and the amendments that the House will be empowered to consider during the process of debate and the consideration of changes to the act.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am trying to check on the accuracy of what the hon. member for Kamloops has just said. The documents tabled on December 19 following my statement show that the clear intention of the Government of Canada was to reduce the rate that was set out in the technical paper from 9 per cent to 7 per cent. Nothing could be clearer than that both in my statement as well as in the documents that were tabled in the House.

• (1510)

My understanding had been that the technical paper itself was tabled in this House, but I cannot be absolutely sure of that. I have asked my staff to check on that. As soon as I have that information for you I can advise you.

Mr. Speaker: First of all, I appreciate the courtesy of the hon. member for Kamloops and members of his staff in giving the Chair notice of this complex point. I also appreciate the minister staying behind for the argument and I appreciate that he has asked for some time to respond.

I will hear the minister further on this matter if that happens today or at some appropriate point. I should tell the hon. member for Kamloops and the minister that knowing about the complexity of the argument, it was my intention to reserve judgment until I could fully consider the argument and the implications that flow thereof, but to make sure that I would rule on the point before second reading. I want to give the hon. member for Kamloops that assurance.

If the hon. Minister of Finance wants some time to address the Chair further on this, I think that that would be agreed by all parties, but I am going to need some time to consider it.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 51 petitions.

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

[*Translation*]

CANADA PENSION PLAN

TABLING OF TWO REPORTS OF THE ADVISORY COUNCIL

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): On behalf of the Minister of National Health and Welfare (Mr. Beatty) and pursuant to Standing Order 32(2) I wish to table, in both official languages, two reports by the Canada Pension Plan Advisory Board: The Suspense File and Definition of Disability under the Canada Pension Plan.

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

* * *

[*English*]

POINT OF ORDER

WAYS AND MEANS MOTION

Mr. Speaker: Further to the argument put forward by the hon. member for Kamloops, I should advise hon. members that the government has moved for introduction and first reading of the bill in question.

I am going to put introduction and first reading of the bill to the House, but it must be clearly understood that I will rule on the argument raised by the hon. member for Kamloops before second reading begins. Is that clearly understood?

Mr. Gauthier: By tomorrow?

Mr. Speaker: I am not in a position to say when it will be. What I am saying is that I am going to need time to consider it. I want the hon. member for Kamloops to clearly understand that except for this procedure—

Mr. Benjamin: Before any stage.

Mr. Speaker: I have examined the procedure very carefully and I think that I am proceeding properly in introducing the bill for first reading. But what I am saying is that, that having been done, nothing further will proceed until I have made the ruling.

Mr. Riis: Mr. Speaker, I seek clarification. I will follow your decision, naturally, but to seek further clarification, if in your ruling you deem it to have been inappropriate for the Minister of Finance to proceed, with the assumption that he had proceeded incorrectly with his Ways and

Means motion, what status then would the bill have, if you rule that what we are doing today is, in a sense, inadmissible?

Mr. Speaker: The same question of course reverts back to what status would the notice have? I have made it quite clear to hon. members that the argument has been well argued, obviously well researched, and is complex. I need time to consider it and I am sure the hon. member will understand that.

Mr. Benjamin: Before any stage of the bill.

Mr. Speaker: I understand that the hon. member for Regina East has a point of view here, but I have made a ruling and I think that the ruling is appropriate.

I want to assure all hon. members that the matter will be considered seriously and will be ruled on after this stage and before second reading.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have one brief concern with the point that is under discussion and that is Standing Order 83(4) which states:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

Now, as I understood the argument of the hon. member for Kamloops, the problem with the motion is that it was too vague. How is Your Honour going to be able to determine whether or not this bill, in the words of the rule, is based on the notice, if in fact the motion is so vague that we cannot determine whether the bill is based on it? I think it puts Your Honour in an extremely difficult position, with respect, between now and second reading.

I would suggest that the appropriate course would be to await Your Honour's ruling to determine the limits of the motion, and then if Your Honour determines that the motion is in order and what its limits are, in other words, are one or both of the technical papers referred to in the motion included, then we can determine whether or not the bill is in order. But it is going to be virtually impossible to do that until Your Honour's ruling comes down on that first point.

I suggest there are two issues here and, with respect, I would suggest that the first reading of this bill be deferred until we have received the word from Your Honour on the validity of the minister's notice of motion.

Mr. Speaker: I have listened to the hon. member, but I think that it is appropriate to go ahead with the introduction and first reading of the bill. I shall carefully consider not only the position of the hon. member for Kingston and the Islands but, as I have indicated, also the position of the hon. member for Kamloops, and of course if the hon. minister wishes to address me further.

* * *

AN ACT TO AMEND THE EXCISE TAX ACT, THE CRIMINAL CODE, THE CUSTOMS ACT, THE CUSTOMS TARIFF, THE EXCISE ACT, AND THE INCOME TAX ACT, THE STATISTICS ACT AND THE TAX COURT OF CANADA ACT

Hon. Michael Wilson (Minister of Finance) moved for leave to introduce a bill to amend the Excise Tax Act, the Criminal Code, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act, and the Tax Court of Canada Act.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 170*)

YEAS

Members

Andre	Attewell
Beatty	Belsher
Bird	Bjornson
Blackburn (Jonquière)	Blais
Bosley	Bourgault
Boyer	Brightwell
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Chartrand	Clark (Yellowhead)
Clifford	Cole
Collins	Cook
Cooper	Corbett
Côté	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Della Noce
Desjardins	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hogue	Holtmann
Horning	Hudon
Hughes	James
Jelinek	Joncas

Kempling
Langlois
Leblanc (Longueuil)
Lopez
MacDougall (Timiskaming)
Marin
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Mulroney
Nowlan
O'Kurley
Plourde
Pronovost
Reid
Richardson
Roy–Arcelin
Schneider
Scott (Hamilton—Wentworth)
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Koury
Layton
Loiselle
MacDonald (Rosedale)
Malone
Martin (Lincoln)
Mazankowski
McDermid
McKnight
Monteith
Nicholson
Oberle
Plamondon
Porter
Redway
Reimer
Robitaille
St–Julien
Scott (Victoria—Haliburton)
Siddon
Soetens
Stevenson
Tétreault
Thorkelson
Tremblay (Québec–Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—121

NAYS

Members

Allmand
Anawak
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Blondin
Butland
Callbeck
Catterall
de Jong
Flis
Foster
Gaffney
Gardiner
Gray (Windsor West)
Harb
Hovdebo
Keyes
Kindy
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
Maheu
Marleau
McGuire
Mitchell
Parent
Peterson
Pickard
Prud'homme
Robichaud
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Vanclief
Waddell
Wappel
Young (Gloucester)
Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Caccia
Campbell (South West Nova)
Comuzzi
Dingwall
Fontana
Fulton
Gagliano
Gauthier
Grey (Beaver River)
Harvard
Jordan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
MacAulay
MacLaren
Manley
McCurdy
Milliken
Nystrom
Parker
Phinney
Proud
Riis
Robinson
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Volpe
Walker
Wood
Young (Beaches—Woodbine)—80

• (1600)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. Wilson (Etobicoke Centre) moved that the bill be read the first time and printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to on the following division.

(*Division No. 171*)

YEAS

Members

Andre
Beatty
Bird
Blackburn (Jonquière)
Bourgault
Brightwell
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Yellowhead)
Cole
Cook
Corbett
Crosby (Halifax West)
DeBlois
Della Noce
Domm
Duplessis
Fee
Fretz
Gray (Bonaventure—Îles–de–la–Madeleine)
Halliday
Hawkes
Holtmann
Hudon
James
Joncas
Koury
Layton
Loiselle
MacDonald (Rosedale)
Malone
Attewell
Belsher
Bjornson
Blais
Boyer
Cadieux
Cardiff
Chadwick
Chartrand
Clifford
Collins
Cooper
Côté
Darling
de Cotret
Desjardins
Dorin
Edwards
Ferland
Gérin
Guilbault
Harvey (Chicoutimi)
Hogue
Horning
Hughes
Jelinek
Kempling
Langlois
Leblanc (Longueuil)
Lopez
MacDougall (Timiskaming)
Marin

Martin (Lincoln)
Mazankowski
McDermid
McKnight
Monteith
Nowlan
O'Kurley
Plourde
Pronovost
Reimer
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Weiner
Wilbee
Assiniboia)
Winegard
Mayer
McCreath
McDougall (St. Paul's)
Merrithew
Nicholson
Oberle
Plamondon
Porter
Redway
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Têtreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—115

NAYS

Members

Allmand
Anawak
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Benjamin
Black
Blondin
Butland
Callbeck
Catterall
Dingwall
Flis
Foster
Gaffney
Gauthier
Harvard
Jordan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
MacAulay
MacLaren
Marleau
McGuire
Mitchell
Nystrom
Parker
Phinney
Proud
Riis
Samson
Skelly (North Island—Powell River)
Speller
Stupich
Tobin
Waddell
Wappel
Young (Gloucester)
Althouse
Arseneault
Baker
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Caccia
Campbell (South West Nova)
Comuzzi
Dionne
Fontana
Fulton
Gardiner
Grey (Beaver River)
Hovdebo
Keyes
Kindy
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
Manley
McCurdy
Milliken
Murphy
Parent
Peterson
Pickard
Prud'homme
Robichaud
Simmons
Skelly (Comox—Alberni)
Stewart
Taylor
Vanclief
Walker
Wood
Young (Beaches—Woodbine)—76

The Acting Speaker (Mr. Paproski): I declare the motion carried. On a point of order, the hon. member for Eglinton—Lawrence.

Mr. Volpe: Mr. Speaker, unfortunately I missed the vote. Had I been here, I would have voted nay.

Bill read the first time and ordered to be printed.

The Acting Speaker (Mr. Paproski): Introduction of Private Members' Bills. The hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I would like to think that in order to provide ample opportunity for all members to vote that my colleagues and friends in the Liberal party would provide at least a 30-minute bell to call on members who might not be here already.

* * *

AN ACT RESPECTING MAGNA CARTA DAY

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce a bill respecting Magna Carta Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 172*)

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
de Jong
Gardiner
Langan (Mission—Coquitlam)
McCurdy
Murphy
Parker
Samson
Skelly (Comox—Alberni)
Taylor
Young (Beaches —Woodbine)—25
Axworthy (Saskatoon—Clark's Crossing)
Black
Butland
Fulton
Hovdebo
Laporte
Mitchell
Nystrom
Riis
Skelly (North Island—Powell River)
Stupich
Waddell

NAYS

Members

nil/aucun

• (1720)

[*Translation*]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, point of order. I have already taken part in such a debate several times. I would just like to reiterate what I have already said: I find this a very bad precedent that we are setting in our political system, a political institution of British origin.

[*English*]

I think it is a bad move to have voted to give permission to a member to introduce a bill for first reading. I understand the reason it was done. I am not questioning their reason, I cannot question it, but I think it is a bad precedent. It is very bad, in our British parliamentary system, to vote to give permission to a member to introduce a bill because some day there will be bills that may not be acceptable to a lot of people and we could use this precedent, and those that were created before, to stop a member from even considering the possibility of discussing something that may be absolutely unacceptable to some members of the House.

I, as one who believes in freedom of thought and freedom of discussion, believes that a member should not require permission to present any bill for first reading. I think that there are other ways of doing what they are trying to do today. I leave it to them to decide how to do it, but I object very much and I will always object to having a vote in order to decide whether we will give permission to a member to introduce a bill for first reading, not in the British parliamentary system.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order. With respect, I have listened to my hon. colleague's intervention and I appreciate the point that he is making. He said that he thought it was inappropriate that members not permit the introduction of a bill at the first stage. Yet, I recall that he just voted against the introduction of a bill at first stage, the goods and services bill.

Perhaps he was referring to the private members' bills only, but I am somewhat confused as to the point he was making since he voted against first reading a few moments ago.

Mr. Prud'homme: Mr. Speaker, the hon. member is correct. I said that I object to such a vote on private members' bills and I thank my hon. colleague very much for obliging me to clarify my statement. Yes, that has always been my position in the House of Commons concerning private members' bills. As for government bills, that is another matter, and I thank the hon. member for clarifying the situation.

As a matter of fact, a few minutes ago I had a long discussion with the officers of the table to make sure that I have been consistent with the past because, as you know, I am getting old and I may lack some memory. But I have been consistent. I have always stood the way I just did for private members' bills.

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops has a few minutes to explain the bill.

Mr. Riis: Mr. Speaker, I would appreciate a few moments to explain the intent of the bill. This bill, as hon. members would recognize, refers back to 1215 when King John, a very arrogant and insensitive king, had imposed a very horrible tax time and time again on the people. The people spoke up and objected to these excessive levels of taxation that King John had introduced.

It is for that reason, particularly in light of today's discussion, that I introduce this private members' bill to declare June 15, which was the day the Magna Carta was declared in 1215, as an appropriate gesture. I appreciate that with these bells the Liberals have at least assisted the New Democratic Party in sending a message to this government, that it too is imposing a dastardly, mean, cruel tax on the people of this country and it time that we send the government a very clear message.

Some Hon. Members: Hear, hear!

Mr. Riis: Just as the people said they would not stand for it during the time of King John, we are saying that the people of Canada will not stand for it at this time either.

Some Hon. Members: Hear, hear!

Mr. Riis moved that bill be read the first time and be printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 173*)

YEAS

Members

Althouse	Axworthy (Saskatoon—Clark's Crossing)
Black	Blackburn (Brant)
Butland	de Jong
Fulton	Gardiner
Hovdebo	Langan (Mission—Coquitlam)
Laporte	McCurdy
Mitchell	Murphy
Nystrom	Parker
Riis	Samson
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Stupich	Taylor
Waddell—23	

NAYS

Members

Benjamin—1

• (1730)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the first time and ordered to be printed.

The Acting Speaker (Mr. Paproski): Point of order, the hon. government Whip.

Mr. Hawkes: Mr. Speaker, I realize it is not one of those very tense situations in the House of Commons where the voting is close or there is any disagreement. But the precedents we set in this Chamber can, on another occasion, be extremely important.

For a member to stand in his place and vote twice would be a very dangerous precedent. In the calling for the yeas I heard the member from Regina's name called at an appropriate time. When you called the nays, I heard the same member called the second time. I do not think that kind of precedent can be allowed to remain on the books. It is totally inappropriate in this Chamber for members to vote twice.

Mr. Prud'homme: Mr. Speaker, on the same point of order. I know that the hon. new leader of the New Democratic Party has announced that from now on the New Democrats intend to be the real official opposition. I do not know if—

Some Hon. Members: Hear, hear!

Mr. Prud'homme: Now that you are enjoying the first part I hope you will enjoy the last part.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: I hope she did not mean that she was to become the official opposition through trickery or otherwise by having some members voting twice on both sides of the issue.

Therefore, I suggest to you that if the hon. member has voted for and against the motion that would be quite unique in the annals of the British parliamentary system. If that is the way the New Democrats intend to run their affairs in this new leadership I would like to be on notice so we will know how to behave in the future.

Mr. Benjamin: Mr. Speaker, I am the hon. member for Regina—Lumsden and I object to the non-point of order raised by the member who just spoke. I want to say to you, Sir, in the chair, that I did not rise on the first vote.

I will admit I lifted my backside from the chair an inch.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Then I decided no. I don't know why I have to vote with my House Leader all the time. More importantly, the point is, I did not vote. Mr. Speaker, you and I have been here the same number of years. I have always risen and bowed to the Chair at full length—yours and mine—and I did not do that. I did not rise on the first vote. I am always respectful of the clerks at the table

and I think they were in a little hurry to get the vote counted. I did not vote the first time.

The Acting Speaker (Mr. Paproski): Therefore, the hon. member's vote will be registered with the nays.

Point of order, the hon. member for Port Moody—Coquitlam.

Mr. Waddell: Mr. Speaker, through you the House might be interested in knowing that the great charter, the Magna Carta, has just been brought to the Diefenbaker law library in Saskatoon for public display. It is just to show, as we have shown today, that things really have not changed much in 900 years.

Mr. Gauthier: Mr. Speaker, I think I will voice the frustrations of many of us in this House toward the NDPs tricks and silliness today. The opposition day that the New Democrats would have had today will probably be lost if they do not stop playing games with the Parliament of Canada. I would implore them to be serious and to get to the Orders of the Day. Today an opposition day dealing with environmental matters and we would like to speak about environmental matters.

• (1740)

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, in response to my good friend and hon. colleague, a parliamentarian whom I have respected over the years in terms of his observation as to what is going on today, let us be very clear, we are very concerned about the Magna Carta and the importance that it has been in the history of the western world.

Today this government introduced the bill concerning the 7 per cent goods and services tax. We are sending the government a message on behalf of the people of Canada. The Canadian people do not want this tax to proceed. That is what we are doing.

Some Hon. Members: Hear, hear!

Some Hon. Members: Order!

Mr. Riis: Mr. Speaker, while I understand that the Liberals might not like it, I want to make it very clear that they are co-operating with the Conservative government. They are not sending a message against the goods and services tax today. That is what the Liberal Party of Canada—

The Acting Speaker (Mr. Paproski): The hon. member for Churchill on a point of order.

Mr. Murphy: Mr. Speaker, I think we all have our serious moments and our light moments in the House. But I do not think that the Whip of the Liberal party can get up and accuse us of stalling the House or not using our legitimate rights.

I remember when his party had a rat pack. They had no qualms whatsoever about jumping on desks, running after ministers and acting in a very inane manner.

The problem the Liberals have today is that same group is unavailable in the House. They are seeking the leadership. So the Liberal Whip is getting up in this House and complaining that the New Democratic Party has stolen the leadership of the House.

He is complaining that we are controlling the House and we are using that control of the House to oppose the government. That is our right. We are happy to do it.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Ottawa—Vanier for a short rebuttal and then I will recognize the hon. member for Halifax West.

Mr. Gauthier: Mr. Speaker, I do not want to rebut anything. I just want to state the facts. They are that today this House has a Standing Order that states: "Projected Order of Business". Members of the NDP had an opposition day granted to them by the rules of this House. They are indeed breaking every rule in the book by playing tricks on this House and they are—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): The Chair has been very kind.

I would like to recognize the hon. member for Halifax West on a short point of order.

Mr. Crosby: Mr. Speaker, I will try to make my statement on this point of order short. I want to assure members of the House the point that I raise is vital to the operation of this House.

There is no more serious responsibility on members of the House of Commons than to cast their votes on vital issues of the day. In registering their vote on any of these issues that are presented to the House of Commons there is a matter of honour involved. Every time a member votes, he votes in the representation of his

constituency. Together, we all represent the people of Canada.

I distinctly witnessed in this House members responding to a division by yeas and nays. When the vote was actually taken, that is to say pursuant to Standing Order 45, there were no negative votes registered.

This means that obviously in this House people deceived the members of this House in their manner of voting, the most important function that a member of the House of Commons can perform.

We have before us a deception, people who voted nay then turned around and voted the other way. They are deceiving the House. They are destroying the very foundations of this institution.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): If you would cool it a little bit, I would like to hear the hon. member for Vancouver East on a point of order.

Ms. Mitchell: Thank you, Mr. Speaker. It is on a point of privilege that I rise.

I am sure that you, in listening to the last speaker, realize that he was really infringing on the privileges of all women parliamentarians in this place. He referred, as some members are wont to do, as members of this House being "he". He completely excluded all members of Parliament who happen to be of the female sex. I would ask that he withdraw his statement.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I am sure the hon. member for Halifax West realizes that. I know that as a great colleague in this House he will do the same.

Mr. Crosby: I certainly recognize the presence in this House of Commons of men and women, but let me remind the member that honour is the same for both sexes. I am talking about the honour of the members of this House, not the sex.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): I do have a couple more bills to introduce for the hon. member for Kamloops, if I may. If there is still time, we will get a few more points of orders in.

* * *

AN ACT TO AMEND THE NATIONAL HOUSING ACT (LEASES FOR LOW-RENTAL HOUSING PROJECTS)

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce a bill, an act to amend the National Housing Act (leases for low-rental housing projects).

The Acting Speaker (Mr. Paproski): Shall the hon. member have leave to introduce the bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The House divided on the motion which was agreed to on the following division:

(*Division No. 174*)

YEAS

Members

Althouse
Axworthy (Saskatoon—Clark's Crossing)
Black
Blackburn (Brant)
Butland
de Jong
Fulton
Gardiner
Hovdebo
Langan (Mission—Coquitlam)
Laporte
Mitchell
Murphy
Nystrom
Parker
Riis
Samson
Skelly (North Island—Powell River)
Skelly (Comox—Alberni)
Stupich
Taylor
Waddell—22

NAYS

Members

Benjamin
McCurdy—2

• (1750)

After the taking of the vote:

Mr. Hawkes: Mr. Speaker, on a point of order, I hope we are checking the voting record to make sure that members only voted once because I think for the second time in my 11 years in Parliament we really have something going on here this afternoon that is very, very unfortunate for the democratic system. To attempt to vote twice in this Chamber or in a ballot box in a general election is totally unacceptable; totally unacceptable.

The Acting Speaker (Mr. Paproski): I would like to ask the hon. member for Windsor—St. Clair whether he is opposed or in favour of this bill.

Mr. McCurdy: Mr. Speaker, I thought it was really quite clear that I stood fully erect against the vote. I thought that was pretty clear.

The Acting Speaker (Mr. Paproski): That is all I wanted to know.

I declare the motion carried.

Mr. Gauthier: Mr. Speaker, on a point of order, I just wondered due to the interest of my colleagues in this House for environmental matters—I take this seriously—would you seek unanimous consent to proceed to Orders of the Day?

Mr. Murphy: Mr. Speaker. First, on the request from the Liberal Whip and Deputy House Leader we are certainly not going to give the government one more day to impose the GST. For five minutes we would have an Opposition Day. If we gave today as an Opposition Day that would give the government one more day to make it easier to pass the GST.

I asked for the floor because the Government Whip rose and complained about the antics of the Liberals and various members of the New Democratic Party.

I remember, Mr. Speaker, and I am sure you do that one of the worst nights we ever spent in the House of Commons was when certain Conservative members stormed in and put the Deputy Speaker at threat. I believe the Government Whip was one of those members.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): I would like to hear the hon. member for Churchill finish his remarks, please.

Mr. Murphy: Mr. Speaker, when the Conservative members in opposition in those days did that, they took a physical, aggressive act against the Chair of this House. Nothing can be more against the whole principle of Parliament than that.

For the Conservatives to get up at this time and complain because we may perform a little antic which is not threatening to the Chair, and certainly not threatening to this institution, something to protect the people of Canada, there is a heck of a difference. I would think that before we have any challenges by the Government Whip, he should think back to his own actions and the actions of his colleagues.

He will argue that he felt strongly about that bill. He will argue that the Tory members had a right to charge the Chair, raising their fists, shaking their fists, because they felt strongly about a piece of legislation.

We are not threatening the Chair. But we do feel strongly against this legislation and we will use every legitimate means we have to fight it.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I would like to clean up this item today. The hon. member for Kamloops has an opportunity to say a few words about his bill and then I can put it for second reading.

Mr. Riis: Mr. Speaker, I am somewhat perplexed by the way you decided that some members points of orders can be accepted at any time, while other members calls for privilege are not accepted. There seems to be quite an editing processing going on here.

The Acting Speaker (Mr. Paproski): Is the hon. member going to speak on his bill?

Mr. Riis: Mr. Speaker, the point of this bill being introduced today is twofold. First, it looks like the New Democratic Party is the only party sending a clear message to the government today that to proceed with the goods and services tax is an inappropriate act and flies in the face of 80 per cent of the people of Canada. That is one of the points.

Mr. Arseneault: Point of order, Mr. Speaker.

Mr. Riis: If you want to recognize the hon. member, Mr. Speaker, I will sit down because I do think that a point of order or point of privilege ought to be heard. I am prepared to sit down and complete my remarks in a moment.

The Acting Speaker (Mr. Paproski): I will just say that the hon. member will not have time to complete his remarks if he wants to get this put through. Otherwise, I will recognize the hon. member from Restigouche—Chaleur.

Mr. Arseneault: Mr. Speaker, I just want to set the record straight. It seems as if a wrong impression is being given. I want it categorically stated to the Canadian people that the Liberal party is against the GST. Today we were supposed to debate environmental matters. The NDP has always claimed a monopoly on that. Now we know words are cheap over there. We have the monopoly on the environment. We are the party of the environment, not the NDP.

The Acting Speaker (Mr. Paproski): The hon. member for Regina—Qu'Appelle.

Mr. de Jong: Mr. Speaker, I want to register a point of privilege. I rose on several occasions to stand in this House to register my point of order. You chose to ignore me. I rose on a point of privilege that I understand takes precedence over points of order, and you still refused to hear me, Mr. Speaker.

I first and foremost wish to register my complaint at not being recognized on my point of privilege.

The second point is on the point of order that I wish to present to you and to this House. I first would like you to rule on my point of privilege, that you did not hear me, while I understand that points of privilege take precedence over points of order.

The Acting Speaker (Mr. Paproski): I did not hear the hon. member because there was too much noise. If he does not complete his remarks right now, I will call it six o'clock.

Mr. de Jong: Mr. Speaker, the remark I wish to make is that we have seen this government choose every means available to it to push through legislation. This government has used closure more than any other government. At times it has ripped up the Standing Orders in order to allow the free trade agreement to go through. It is the job of the opposition to use every means available—

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

Therefore, this House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.00 p.m.

HOUSE OF COMMONS

Thursday, January 25, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 18 petitions.

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

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): I move:

That this House do now proceed to Orders of the Day.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps I cannot hear but I can count.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 175*)

YEAS

Members

Attewell	Belsher
Bird	Bjornson
Blackburn (Jonquière)	Blais
Bouchard (Roberval)	Boyer
Brightwell	Browes
Cadieux	Cardiff
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clark (Yellowhead)	Cole
Collins	Cook
Cooper	Corbett
Côté	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Della Noce
Desjardins	Domm
Dorin	Duplessis
Edwards	Fee
Ferland	Fontaine
Fretz	Gibeau
Guilbault	Halliday
Hawkes	Hockin
Hogue	Holtmann
Horning	James
Jelinek	Joncas
Kilgour (Edmonton Southeast)	Kindy
Koury	Landry
Langlois	Layton
Leblanc (Longueuil)	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Malone
McDermid	Merrithew
Monteith	Moore
Nicholson	Oberle
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Hamilton—Wentworth)	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—105

NAYS

Members

Anawak	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Bélair
Benjamin	Black
Blackburn (Brant)	Blaikie
Blondin	Boudria
Campbell (South West Nova)	Catterall
Comuzzi	de Jong
Dionne	Ferguson
Fontana	Foster
Fulton	Gardiner
Gauthier	Gray (Windsor West)
Guarnieri	Harb
Harvard	Hopkins
Hovdebo	Keyes
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	MacDonald (Dartmouth)
MacLaren	Maheu
Manley	Marleau
McCurdy	McGuire
Mifflin	Milliken
Mitchell	Murphy
Nystrom	Phinney
Pickard	Proud
Prud'homme	Riis
Robinson	Simmons
Speller	Taylor
Vanclief	Walker
Wood—55	

• (1150)

Mr. Deputy Speaker: I declare the motion carried.

* * *

POINT OF ORDER

STATEMENTS BY MINISTERS

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order to see whether at this juncture you would seek the consent of the House to permit the Secretary of State for External Affairs to make a brief statement on Canadian foreign policy relating to Cambodia. It is a statement of which the opposition critics for External Affairs are aware and would be able to respond to in the normal fashion.

Mr. Deputy Speaker: On the same point of order, first the member for Ottawa—Vanier followed by the member for Kamloops.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have two points. On the first point, Routine Proceedings calls for Statements by Ministers to be made in that time. The government shot itself in the foot, moved that the House proceed to Government Orders and, of course, did forgo its right to make a statement.

The second point is that we have committees sitting at this time. I do not think it is proper to have committees sit when this House votes on important matters such as we just did. I would like to have a ruling from the Speaker. If committees must continue to sit then we must have a ruling from the Speaker.

Mr. Deputy Speaker: On the first point, the member for Kamloops.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I must say that I do not quite understand what the request means. Under the daily routine of business, the Parliamentary Secretary to the Government House Leader responded to the call for Tabling of Documents. The next order of business was Statements by Ministers. I realize that the Secretary of State for External Affairs was in his place ready to make a statement. It came as a surprise to all of us that the parliamentary secretary decided to introduce a dilatory motion to move directly to Government Orders which would sabotage the Secretary of State for External Affairs' intention of making a statement.

I would like to seek clarification before we proceed further on this point of order. I would like to know why the government did what it did if it was going to actually make it impossible for the Secretary of State for External Affairs to make his statement.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if I may respond to the comments by both members of the opposition. Number one, we, as a government are very much interested in debating the legislation in the House of Commons at any time. Yesterday the NDP hijacked Parliament, wasted an entire day. When we could have been getting on with the serious issues of the day they were playing games.

Some hon. members: Order.

Mr. Cooper: As long as they continue to behave in that childish fashion and continue to make public statements that they are going to tie up this House of Commons and refuse proper debate in this House, we are going to continue to move, by whatever means we can, to assure this House and its members the opportunity to debate the legislation.

Some hon. members: Hear, hear!

Mr. Cooper: With that in mind we make a very simple request; that the Secretary of State for External Affairs

be allowed to make a reasonable statement with the appropriate time for the opposition members to follow if they choose to do that. It is a simply request; a yes or no from them will suffice.

Mr. Gauthier: Mr. Speaker, I just want to pursue my point. When I said that the government had a chance during Routine Proceedings to have Statements by Ministers, my critic, the member for Papineau, was not in the House at that time. He is now here. He was in a meeting with NGOs. The government knows that. Everybody knows that we are meeting today with the NGOs across Canada. That is an important meeting for us. I do not know why the government cannot get its act together and co-ordinate things so that we can have an organized day and a fruitful meeting with people who are very important to us.

The member for Papineau is here now and he agrees that it is so important to Canada that we could probably, by unanimous consent, go to Statements by Ministers and have a response from all sides.

Mr. Riis: Mr. Speaker, perhaps I can be helpful and resolve this impasse. To be fair, let me first of all say that the parliamentary secretary was accurate in his comments and I have to take that criticism, we did oppose the government's initiative to introduce the goods and services legislation yesterday.

Some hon. members: Hear, hear!

Mr. Riis: I cannot apologize for that, that is a fact. I appreciate that the Secretary of State for External Affairs wants to make a statement today on what I think we all agree is an important matter.

Let me suggest this: We will certainly give our consent to proceed and to agree that the minister should make his statement at this point with the understanding that at the conclusion of the minister's statement and response from both opposition critics, we would automatically revert to Routine Proceedings and proceed as we would normally do during the day.

I am prepared to say that to allow the Secretary of State for External Affairs to make his case.

Some hon. members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Winnipeg—Transcona on the same point of order.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, if the government regarded the ability of the Secretary of State for External Affairs to make his statement—which in any other context I would welcome, and I have often welcomed the willingness of the Secretary of State for External Affairs to make ministerial statements—then it could have moved to Orders of the Day after the minister made his statement. That was the next item under Routine Proceedings, and the government did not do that. The government itself has brought about this situation.

Mr. Deputy Speaker: The parliamentary secretary asked for unanimous consent. I gather that there is consent from the official opposition. There is, in a sense, a conditional consent from the New Democratic Party, so I would ask the parliamentary secretary to respond to the conditional consent from the New Democratic Party.

Mr. Cooper: Mr. Speaker, the very reason I moved the motion to proceed to Orders of the Day was to prevent what happened to this House of Commons yesterday happening again today. So we asked to move to Orders of the Day. We have asked for consent, without condition, for the minister to make his statement and the critics from the two parties to respond. They can simply say yes or no. Let it be on their heads.

Mr. Riis: I am prepared to make it simple, Mr. Speaker. No.

Mr. Deputy Speaker: On a point of order, the Right Hon. Secretary of State for External Affairs.

Right Hon. Joe Clark (Secretary of State for External Affairs): Let me just understand this, Mr. Speaker. I am asking clarification from the House. Do I understand it that it is now the position of the New Democratic Party that when the foreign minister of Canada wants to come into the House of Commons to bring the House of Commons up to date on developments in Cambodia, on matters of Indo-China, indeed, on other questions of foreign policy, that for reasons of procedural, petty politics by the NDP, they deny Parliament the opportunity to discuss parliamentary and foreign policy business?

Some hon. members: Hear, hear!

Mr. Riis: Mr. Speaker, this is a very important issue and we have to understand what is happening here.

I appreciate the kind gesture of the Secretary of State for External Affairs early this morning. He notified both opposition parties that he was prepared to make a

statement in the House today on Cambodia, an issue that we all agree is very important.

At that time, as House leader for the New Democratic Party, I alerted our external affairs critic that this was happening, enabling him to prepare his remarks. This was the plan.

Mr. Deputy Speaker: I have a point of order from the member for Montreal—Saint Denis. Of course I will give the floor back to the member for Kamloops.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would like some clarification from you on the Standing Orders. Permission was sought for unanimous consent, which was refused. I do not see what we are discussing now. It is a debate that is continuing. If we want to debate the question, I would really like to participate. But permission for unanimous consent was refused by one of the parties. I am not going into their reasons; I am saying that permission was refused. So let us go on to what we should be doing now, because we are getting into a debate between the Right Hon. Secretary of State for External Affairs (Mr. Clark) and the NDP. This is not a procedural issue. It is a debate we are getting into. If you want to allow a debate, I intend to take part in it.

Mr. Deputy Speaker: The hon. member for Saint-Denis is right when he says that unanimous consent was sought and refused. I saw the Secretary of State for External Affairs as perhaps trying to make another attempt to obtain unanimous consent, and that is why I intend to allow the hon. member for Kamloops at least to say what he has to say following the representations by the Secretary of State for External Affairs.

• (1200)

[*English*]

Mr. Riis: Mr. Speaker, I simply want to say that we did appreciate the gesture of the Secretary of State for External Affairs this morning alerting the opposition parties of his intention to make a statement.

We prepared ourselves to respond accordingly in the usual traditions of the House. That is why we were quite taken aback. I must give credit to the Parliamentary Secretary to the Government House Leader in that he may have been anticipating that the New Democratic Party might do something today to frustrate the government's efforts to discuss the goods and services tax. Having made that assumption, there are a number of other places during Routine Proceedings when he could have moved the motion that he did to go directly to Orders of the Day. He chose not to.

As a result of his decision he sabotaged the efforts of the Secretary of State for External Affairs. In other words, he made the decision that we would not deal with this statement today. I regret that decision. We were prepared to respond to the Secretary of State for External Affairs. We were anxious to respond to the Secretary of State for External Affairs, but the government itself made it impossible for us to do that.

GOVERNMENT ORDERS

[*Translation*]

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

Right Hon. Joe Clark (Secretary of State for External Affairs) moved that Bill C-25, an Act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act, be read the second time and referred to a legislative committee.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I rise in the House today to speak in favour of Bill C-25, an Act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act, and to offer a few comments on the importance of this legislation for Canada.

Fifty years ago, Mr. Speaker, the world entered a period of armed conflict. The Second World War caused destruction and indescribable suffering in many parts of the globe. Atrocities were committed against the weak and defenceless, and the war affected even the most helpless and the most innocent. This terrible experience proved once more that the concept of total war is intolerable.

Certain forms of protection, which previously had received only formal recognition, were now given very serious thought and considered to be important principles of international humanitarian law.

In the immediate postwar era, codifying humanitarian principles consisted basically in developing concepts that were to become part of the international law that is binding on all States. The so-called Principles of Nuremberg became a statement of standards that all States and all individuals were to observe at the outbreak of war.

Important as these principles were, they only touched on basic humanitarian problems and did so in a rather general way. It was acknowledged that more specific rule applying to specific situations were necessary and that these rules should be codified in a treaty that would enable all States to ratify their acceptance of these obligations. This development was to lead, in 1949, to the adoption of the four Geneva conventions.

The Geneva conventions are a major step in the development of humanitarian law, in that they provide significant new forms of protection for those who are most vulnerable during periods of armed conflict. They have now been ratified by most countries, including Canada.

Although these instruments were considered very important, the search continued for even more effective forms of protection.

In 1977, after four years of intensive negotiations, two additional protocols to the four Geneva conventions were adopted.

Like the conventions, the protocols clearly define how the signatory States must act during periods of armed conflict, in order to protect as much as possible those persons who are unable to provide for their own defence.

The fundamental and comprehensive nature of the obligations and form of protection set forth in the protocols make these instruments as important as those to which they are attached.

[*English*]

But Canada has not yet ratified the two Geneva Protocols of 1977. A Canadian delegation participated very actively and effectively over the years 1974 to 1977 at the diplomatic conference which adopted these instruments.

Indeed, at the conclusion of those conferences the Canadians present signed the protocols thereby committing us to consider seriously the possibilities of ratification.

Certainly the process of ratification is a lengthy one. It includes the stage we have now reached today with Bill C-25 coming before the House of Commons for second reading. It is a stage that requires careful consideration of the obligations which are set out in the protocols.

It may seem strange at a time when peace is breaking out all around around the world that we would be busy with the rules that govern the protection of the innocent and the civilians in times of armed conflict. Yet we are also mindful of the need both to preserve international norms and standards that can protect human rights, and to ensure that we carry out our obligations and anticipate the darker side of what may yet happen from time to time.

In looking at these protocols and the changes which they require us to make in existing legislation, Bill C-25 represents the next important step that must be taken for Canada to ratify the 1977 protocols. Perhaps the most important provision in Bill C-25 is in respect to the amendments to our own Geneva Conventions Act passed by Parliament in 1965. That act was the implementing legislation necessary for Canada to ratify the important Geneva protocols that had been developed in 1949.

In the 1965 statute, one of the important obligations that Canada assumed related to grave breaches, or war crimes. When drafting the Canadian implementing legislation, the question of Canada's obligations with respect to punishing grave breaches was viewed as having a fundamental importance.

• (1210)

The approach that was agreed on in the Geneva Conventions Act in 1965 was called the double criminality test. This is important to understand in light of legislation just recently passed here in Parliament relating to war criminals.

Let me explain the way the double criminality test applies. For an act or an omission to be punishable under this regime of international and domestic law it had to constitute both a grave breach of the Geneva conventions and a corresponding offence under Canadian criminal law. When consideration was first given to ratifying these protocols it seemed that the implementing legislation could simply take the same form as the 1965 Geneva Conventions Act.

However, there was a problem with this double criminality test. Thus that approach was found not to be feasible. For example, the different kinds of problems

that arose can be seen in some of the newly defined offences, such as launching an indiscriminate attack which would affect civilian populations. This does not correspond to any provision in existing Canadian criminal law.

It was therefore decided in preparing this legislation for the consideration of Parliament that the grave breaches of protocol should simply be made direct offences under Canadian law. In one or two instances that approach would have created some anomalous results because of different standards. To avoid that this legislation, Bill C-25, simply proposes to amend the Geneva Conventions Act, the earlier 1965 statute, in a manner which will provide that all grave breaches, including those defined in both the conventions and the protocols, will now be direct offences under Canadian law.

The result is that the double criminality test will be eliminated for convention grave breaches.

Bill C-25 is not only concerned with the concept of grave breaches under the convention and the protocols; it also deals with the full question of the war crimes legislation. I want to touch on that briefly because that was legislation passed in the Thirty-third Parliament, and many members present recall the debate at that time. One of the important differences to bear in mind is that the legislation passed by Parliament dealing with war crimes would apply not only as all other criminal law does to crimes committed henceforth, but it also has retrospective application.

The grave breaches of the Geneva conventions and protocols on the other hand can only apply to crimes committed from here on out. That is a point that Canadians feel is very important, as reflected in the hard choice that this Parliament made when dealing with the criminal law to deal with war crimes.

The other aspects of the protocols that are touched by this bill relate for example to the matter of the Trademarks Act. This simply has to do with the importance of protecting international emblems that are worn to identify, in this case those who bear the distinctive emblem which is the equilateral white triangle on an orange background.

I pause to point out that recently we heard allegations coming from the Middle East where there is continuing conflict about soldiers using the outward appearance of being representatives of the news media. At other times we know of soldiers pretending to be representatives of the Red Cross and using the Red Cross emblem to get passage to areas from which they would be excluded as military personnel.

For example, that is why the international emblem of the Red Cross is likewise protected under our Trademarks Act. It is one of the ways in which we can use our law, as other countries who are parties to this same convention can use theirs, to do all we can to see that these important international emblems that give safe and neutral passage to those who are trying to protect innocent civilians and to preserve humanitarian conditions in times of conflict are not victimized by having the military interests on either side use these designations to gain passage to where otherwise they would not. It is important for the integrity of the Red Cross or, in this case, the emblems that are worn by those who carry out the provisions under the Geneva protocols.

In the changes proposed to the Geneva Conventions Act, which I referred to earlier, we find that there is also an amendment to the National Defence Act. The code of service discipline under the National Defence Act currently provides punishment for a number of offences corresponding to grave breaches of the conventions and protocols.

However, this code which applies to Canadian Armed Forces personnel contains a statutory limitation on the prosecution of offences under its purview. Of course, members realize that such limitations are not contemplated in either the Geneva conventions or the protocols. Those are the kinds of offences against which the clock never ceases to run but where justice sooner or later must be realized and achieved.

In order to be in compliance with both our obligations set out in the Geneva conventions and protocols and consistent with our own domestic provisions for armed service personnel, the statutory limitations in the code of service discipline must be amended so as not to apply to grave breaches of the conventions and protocols. That is another point I wanted to bring before members as an explanation of Clause 7 of Bill C-25.

In conclusion, I think that the 1977 Geneva protocols are fundamental humanitarian instruments. They are important for Canada, as they are for all other countries of the world, because they represent a sincere effort to create and maintain a civilized world. The imposition of order and those standards, even in times of armed

conflict, might once have seemed as an almost surrealistic notion.

Yet it is by developing these conventions and protocols, having them ratified as we are now in the process of doing in Canada, that we work day by day and year by year to see that international law and order can be maintained, that innocent victims of total war will be protected to the greatest extent possible that international law can provide.

That is why I am very happy to have had a chance to address a few remarks to the subject matter of Bill C-25. I look forward also to hearing the remarks of other members of Parliament on this legislation as we give it second reading and as it completes its way to Royal Assent. Another important stage will have been completed. It will then permit Canada to ratify these protocols and fulfil our international obligations.

• (1220)

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am delighted to have the opportunity to rise and speak generally in support of Bill C-25. The context of the bill would be very hard in principle to deny. It is a context which, in light of the suffering that those of us in this generation know, is something that is still very near and dear to our hearts.

The thread of my address will essentially be a few general comments on the impetus of the bill. I would then like to respond to some of the comments made by my colleague in introducing the bill, and then perhaps some detailed comments on the specifics of Bill C-25. I would then like to indicate what it means to us in the longer term and where we would expect to go in respect of any approval that we may give this particular piece of legislation.

I would begin by saying that we have to face as a hang-over, if you like—and I hate to use the term—the past sins of our forefathers. But in this day and age when we are indeed looking at a more peaceful world in the 1990s than we were in the 1980s, it is a grim reminder that war has been with us since civilization has been around. We are probably looking at one of the more peaceful interludes, in the promising sense of peace, than we have had for some time.

But, in juxtaposition to that, it is incumbent on me to remind the House that the military casualties during the Second World War are well known to many, not just the military historians or the boffins who are interested in the details of World War II. Most of us in the House are of the generation that has read books about it. We have been subjected to it and are aware of the atrocities on the military aspect.

The civilian casualties in the Second World War alone are staggering. These are the numbers of those who were wounded or killed. In Canada, for example, in the Royal Canadian Air Force, the Canadian Army, the Royal Canadian Navy and the auxiliary forces, we lost 42,000 people.

The figures are broken down. I think it is worth while to look at them. In the Canadian Army, 23,000 killed, 58,000 wounded; in the Royal Canadian Navy, 1,600 killed, 400 wounded; in the Royal Canadian Air Force, 17,000 killed, 1,400 wounded; casualties listed in statistics, 42,000; 59,800 were also wounded, which gives us a total of 100,000 before we even consider the casualties of the families of the relatives. I dare say, Mr. Speaker, you could multiply that at least by tenfold and perhaps even by twentyfold which, when you think of it, has a pretty big impact on the population of Canada in World War II between the years 1939 and 1945.

We were at war but not in the midst of the war. The war did not take place in our country. Canada was not a battleground. Even so, such a large percentage of our population could be considered to be casualties in addition to those 100,000 who were killed and wounded.

I am not going to rhyme out a litany of other countries and their statistics. The crux of this bill and what it pertains to, and why in my heart of hearts I would find it difficult to do anything but support it, relates to these kind of numbers in World War II.

Let us not forget that what comes out of Bill C-25 has been a very long time in the making. As we are all aware, it takes a long time to get people to agree in these conventions on exactly what has to be included. Every sentence, every word, every bit of punctuation, every parenthesis has to be agreed upon. It is not too hard to

understand the reason for that kind of detail when we look at these figures.

I am talking about a period of 2,160 days during which the Soviet Union suffered losses of 20 million; China, 10 million; Poland, six million; Germany, four million; Japan, two million; Yugoslavia, 1.5 million; Romania, 660,000; Greece, 620,000; and so on. I note again that the official statistic given for Canadian war dead is 42,042, when in fact the casualties go far beyond that.

If you add up the total statistics of the war dead in World War II, you are looking at close to 90 million people. You can take that to its second and third order and include those who were physically wounded, those who were wounded in mind and then those casualties of the statistics. In looking at this bill we are into another realm, another extent, another dimension, another derivative of the terrible aspects of war. These are the civilian populations, the women, the children, mothers, fathers, the people whose lives have been torn apart by the savageness, the viciousness and sometimes the inconsiderateness of war.

Even war must be civilized. Even war should be civilized. We as civilized people in this country, in this part of the world, the western hemisphere, the North American continent, should be seen as very active supporters and enthusiastic champions of this kind of cause. In a general sense I think we have to be very careful that in any note of proposing a sentence, a fraction of a word, a nuance, an extension of a verb or the parsing of a phrase that we do not lose sight of the over-all support that should be considered for this bill.

I want to take this opportunity, in as non-partisan a sense as I can, to make a comment like that which I made at the beginning of my presentation. I believe my hon. colleague from across the floor also suggested that it is almost a paradox that we are now looking at these conventions that pertain essentially to the concern and care for civilians and civilian casualties in time of war.

At first, second and maybe even third glance, peace seems to be breaking out all over. I could talk a long time on that subject. I just left the Standing Committee on National Defence and Veterans Affairs. We had two presentations made to us. While it would be inappropriate for me to try to include even parts of what both witnesses had to say at that committee, I do believe that I should make some comment with respect to this aspect of the bill. I have a piece of paper here in small preparation for this presentation this morning with a quotation given to Plato, that only the dead have seen the end of war. I would suggest that some greater men living in our time right now may be believing that and they may not be, I am not sure, but I would like to look at that for a while.

• (1230)

We are beginning a new year and a new decade and when I compare it to 1980 there is quite a comparison. I recall in another incarnation sitting in essentially a war room, a headquarters centre, worrying very much about the state of the world. The strategic assessment in January 1980 was far different from the strategic assessment of today. The Afghans had been attacked by the Soviet Union and the situation all over Europe was very bad.

We have ushered out these events to a large degree from the 1980s. We have a foundation now in the 1990s that would lead us to believe that maybe we should concentrate more on the dimensions of the civilian aspects of defence and perhaps denigrate, reduce, give less emphasis to, and be fairly lenient in budget cuts in trying to get our expenditure under control in defence matters.

In a general sense, I, and I am sure many of my colleagues on both sides of the House, have read what we know of the strategic situation right now. If there is anything that can be said in a general sense it is that the situation is dynamic, fluid and in some ways, if you use the definition of stability, essentially meaning you know what is happening. I would suggest there might be a good argument for believing that there may be more instability and more change at this point in time in our history, especially the history of those of us in the House of Commons today, than there has been at any other time in our lives.

We have a change in the world's economic, political and social structure. These are the products of decades and products of things like the Second World to which I made reference a few moments ago, and even centuries in creating for us an environment of perceived instabilities and indeed the structures that pertain to them. Perceived instabilities bring with it hostages, fear and insecurities. In turn, instability and insecurity lead to an even faster change of pace as governments scramble to try to meet the change, respond to the change, try to amend their policies and to make statements in their

respective Parliaments and their Houses of Commons, to reflect how they plan to cope with these changes.

If there is any statement that I have made since I have been in the House of Commons, I will make one now that I am very sure of. I am usually sure of the statements that I make in the House of Commons but I do not always have agreement from my colleagues. In this one I know some of my hon. friends would agree when I make the statement that never before in our lifetime have the changes in the international scene been so vivid in their effects as in eastern Europe during the final weeks and indeed the opening months of this decade, 1990. People in the satellite nations of the Soviet Union have been struggling to throw off their oppressive chains. That gives us a great feeling. It makes us believe and it makes us perceive that they are coming around to our way of living. They are coming around to our beliefs, to accepting our values, and wanting to do things our way. I am one of those who is slow in perception when it comes to those kinds of things.

So dramatic and unpredictable are these changes that the NATO Alliance—it is not in disarray but I can assure you if I were given the list of the top 10 items of discussion in the NATO forums, in the passageways and in the private offices among the ambassadors nationally and internationally, I would say that in that top 10 it would certainly be how are we going to reorganize.

Military planners, external affairs planners and people who write white papers are asking what is the future of military organizations. What is the future of Canada's military force in this new decade? I am not going to take this opportunity to give my views on the dishevelled, out of date, and inappropriate white paper. I must say in all fairness I have a certain sympathy for the Minister of National Defence, his planners, writers and strategists in producing a white paper today that will be valid in a couple of days time.

I could not get off this platform now without commenting equally that even before the situation in the world changed, there were many pieces of evidence to indicate that even as the white paper was written and the strategic assessment, as it pertained at the time, the resolve to discharge the promises to Canadians, to those military people in uniform who believed that some of their problems in the previous few years were finally going to be redressed were not. There was a great disappointment which I believe has not been overtaken by events but made even more complex and disconcerting by the international situation that we find ourselves in today.

It is really a poignant comparison when I look at this legislation as it affects and involves civilians in those areas where there are wars and compare it to the situation where civilian lives are lost in Canada and the military has an involvement in the saving of these lives and the possible avoidance in the loss of some of these lives. I speak with a certain amount of experience, happy experiences in some cases and sad experiences in other cases.

I make reference now to the over 9,000 search and rescue incidents that take place in Canada almost on an annual basis. It varies plus or minus 10 per cent but the going average is 9,000. These are marine incidents, air incidents and incidents of other kinds. In addition, of course, there are the mercy flights that almost inevitably involve the men and women in the Canadian forces that in many cases are very much instrumental in saving lives, in relieving grief, suffering and pain and, indeed, in the ultimate case, in saving lives.

We should remember when we are putting our back to the wheel in this kind of a bill, when we are looking at the concerns of humans, human dignity and human rights in other countries, that we not forget that we have first and foremost a commitment in our own country to make sure that we do whatever possible and to the optimum extent to shape our forces, the force structure, and the basing of these forces. That should be a major concern. It should supersede and take priority over budgets, dollars, politics and, yes, Mr. Speaker, over everything, because it concerns people and living in Canada in peace now, today.

• (1240)

It is in that context that I would once more ask the Minister of National Defence to make sure that the decision that was made with respect to the demise of the tracker aircraft and the rebasing of search and rescue forces out of the Summerside area be done in a very measured sense, and to make sure that the margin, whether it is 1 per cent, 2 per cent, 5 per cent or even a

quarter of a percent of saving one life in those 9,000 incidents be scrutinized again and again to its fullest.

I have spoken on the international scene and I suppose, in that sense, the likelihood of war, as we see it. I have spoken on the need for concern with NATO in Canada. I have spoken on the need to ensure that our search and rescue forces policies, dictums, methods and basings be done in such a way that under scrutiny it can be shown that there is no better way to do it, that we will have the best that money can buy.

I want to go back to the beginning of my statement with respect to the international scene and the relationship of the international scene to our defence policy right now. I look very simplistically at the defence policy as an insurance policy. If you go to a doctor and say: "Thank you doctor, I have just been told that I do not have cancer, but I still think I am going to die. I have this inscrutable pain. I do not know what is causing it. Now that you have diagnosed what it isn't, please tell me what it is", you do not on the same day run downtown or get on the telephone and tell your lawyer that you want to cancel your insurance policy because you are hedging, and that is essentially what a defence policy is.

If we have the right defence policy, we will never have to go to war. If we never have to go to war, we will not have to worry about Bill C-25 because we will not have the casualties to which great reference is made in this bill.

A defence policy is more than an insurance policy. A defence policy, no matter how it is written, no matter how long it is, how short it is, is essentially designed to do a number of things. It is designed to protect Canada, to protect Canadians here and abroad, and to protect our maritime interests, air interests and surface interests. If it is looked at in an implementation type of way, unless we have forces of any kind mobile enough to be able to be dispatched in the three dimensions of our country, be it on the land, on the sea, and in the air, our defence policy is not working.

We must bear that in mind so that we will prevent anything from happening in our country which will allow us to make a contribution to the international scene which, hopefully, will help us prevent war and the indescribable casualties that are involved. This is a terrible expression to use, Mr. Speaker, but I just made reference 15 minutes or so ago to 100 million people in World War II.

A speaker at a conference which I attended roughly eight or nine years ago made a comment that I did not particularly like, but I found it very comparative. He said that if it were ever to happen again between the superpowers, or even not between the two superpowers, it would make World War II look like a picnic. That is a frightening statement. It is one that causes me to concern myself with how we perceive the future here in Canada.

I would hasten to add that the direction of change is not premeditated. There could be setbacks and there could be U-turns. I remind everyone about the night that we sat in this House and talked about Tiananmen Square. Mr. Gorbachev is not out of the woods. He may fall from power. There may be some reversals in the nationalistic trends that we have seen.

I am not suggesting for one minute that the Soviet Union will never again engage in military action in central Europe. But in the future it would be, perhaps, as a belligerent confronting another national army or perhaps as champion of a new European order. Who knows?

These changes happen to be centred in Europe right now, but let us not forget about the Third World and other parts of the world that do not even have to be named in this House. I think there is a minimum line that Canada could take and that it should be taking. I would certainly urge my colleague, the Minister of National Defence, as soon as he can—although I understand the difficulties he has in coming up with something at this particular point in time, but even if it is an interim policy—to give us a statement of where National Defence is going in Canada. I can assure him and his colleagues across the floor and my colleagues on this side that there are a lot of people who are confused, dismayed and whose morale is kept as high as it is only by the outstanding leadership shown by our senior military personnel and, indeed, our senior civilian personnel in the Department of National Defence, and that flows all the way through.

I think this is a fantastic bill. It talks about human dignity. It talks about human life. It talks about human rights. Who in this House is not for human rights? It is not a question of whether one is for it, but to what degree is one for it? When is one prepared to compromise something that may take a tinge away from human dignity, from human rights? When is responsibility more important than human rights? These are interesting

questions. Indeed, I have seen examples in the relatively short time I have been in the House where I found it interesting how three philosophies could essentially agree with the principle of human rights, but at the same time the deviance could be perhaps seen as differences in policies.

This bill is an act to amend three acts: the Geneva Conventions Act, the National Defence Act, and the Trade-marks Act. I am not going to talk too much about the Trade-marks Act. The protocols here are the protocols to the four Geneva Conventions. We are going back now to August 12, 1949. We have a preamble, legal status, and definitions which are very important, field of application, who is involved, and then we get into some of the details that I believe should be noted here.

Article 12 talks about the protection of medical units. Despite the many wars we have had and despite the difficulties we have had in centuries, there has always been a fragment of civilization that causes survival to be there. In my time there has been the rebuilding of Germany after World War II, the rebuilding of Japan after World War II to the point that today those countries not only take their place with the rest of the world powers but are seen as our competitors in the all-important field of economics. I do not object to that. As a member of civilization, God help us if we stop having those kinds of attitudes.

• (1250)

Parallel with that has been the tremendous concern that civilization has always had for medical units. I am a great supporter of the medical fraternity and I am delighted to see that Article 12 talks about the respect and protection that will be accorded to medical units at all times and specifically that they should never be the object of attack. That is very important and I am delighted to see it here.

In reviewing this bill, I went on to see other areas that perhaps deserve comment. I was particularly heartened and encouraged to see the part on civilian population where it talks about the general protection against the effects of hostilities and such things as indiscriminate attacks against the civilian population when it is not required and is a violation of those principles. This is a code of civilization. This is something against which we would be very ill-advised to have serious objection.

In going over this bill there are certain aspects that if debated in a committee sentence by sentence, I would have some difficulties with. In one section, Part III, Article 7, we are talking about the wounded, the sick and the ship-wrecked. It was not too long ago that we stood in this House and talked about the rigours and the difficulties faced by those who go down to the sea in ships and do their business in great waters. Bill C-25 has a separate section which deals with ship-wrecked personnel and how they should be dealt with. I can assure you, Mr. Speaker, as a sailor that particular part of the humane treatment and aspect of this bill is one that I am very much in favour of.

I think one aspect of this bill, and I am just about to wrap up—

An hon. member: Don't do that, you might as well go to one o'clock now.

Mr. Mifflin: Mr. Speaker, I enjoy wrapping up because I usually have to put my act together when I am told that my time is up. I find it is a great position to be in when my colleagues say that I have lots of time to wrap up. Perhaps I should take advantage of that.

Mr. Benjamin: Go to one o'clock.

Mr. Ferguson: It's not often we have such enlightened speakers.

Mr. Mifflin: The hon. member is very kind in his comments.

My party's position on this is that in principle we support the bill. I suppose we would be open to the suggestion as to whether or not we would want to cross every "t" and dot every "i". The important thing to remember is that we are dealing with an aspect of human rights that has taken a long time to put together. This is a piece of legislation that I just would not even begin to have some feeling for the detail of the work involved. I hope to God it will never have to be applied. But if it is, I would like to think that our country, with the compassion we have for human rights and the belief we have in the fundamental principle of individual freedoms, would be seen as Indeed, as we have shown in our aspect of peacekeeping in military forces throughout the world, a history that started back in the late 1940s, we would be

seen as a champion of the bill as it goes from approval in our country to Royal Assent to whatever happens from here on in.

I thank you, Mr. Speaker, for the opportunity to make my views known on this subject and perhaps to speak on some other peripheral subjects that while not directly pertinent to the bill certainly are involved in the sense of cause and effect.

Mr. Deputy Speaker: The Chair would offer the floor to the Hon. Member for Winnipeg—Transcona, with the consent of the House, of course, either to start now or after Question Period.

Mr. Blaikie: Mr. Speaker, if other members agree, I will call it one o'clock.

Mr. Deputy Speaker: Is there consent?

Some hon. members: Agreed.

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

At 12.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

PENSIONS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to ask the government again to amend the pension legislation and stop the blatant discrimination against ex-spouses of deceased federal public service employees and armed forces personnel.

On January 6 the CBC news report quoted the President of the Treasury Board as saying that the appropriate amendments would be brought before this House as soon as we resume in January.

On January 8 I contacted the minister's office and was told that no such legislation was being drafted and that no such recommendation had gone before cabinet. In short, nobody in the minister's office had any idea what the minister was talking about.

These Canadians feel that they have been betrayed by this minister and they are fed up with this empty rhetoric and broken promises. As a result the Canadian Pensioners Concerned and the Organization of Spouses of Military Members are now preparing to go to court to fight for fairness and equality with other Canadian men and women under this government's pension laws.

I now call upon this government to treat this matter with the urgency that it deserves, to introduce this legislation to get rid of this discrimination and to do so immediately. Enough of the rhetoric, now is the time for action.

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CANADA POST CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my frustration and anger with this government and in particular Canada Post. Main-a-Dieu, Cape Breton is a small fishing community in my constituency. It is presently awaiting the closure of its post office. It is a post office that has been in their community for 150 years.

Canada Post is neglecting to recognize the important role the post office plays in our rural communities. The post office has served as more than an avenue for postal service. It has served as an important element in our rural communities' social fabric. It is a meeting place and a sharing place for young and old.

I would ask the Minister responsible for Canada Post to change this particular decision and keep the Main-a-Dieu post office in operation. The post office is a valuable part of this community's identity and should not be dismantled. The people of Main-a-Dieu demand better of this government. They wish to have their post office maintained for years to come.

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CELEBRATION OF YEAR OF THE HORSE

Hon. David MacDonald (Rosedale): Mr. Speaker, this Saturday, January 27, marks the Chinese New Year and Vietnamese New Year, Tet. May I take this opportunity to extend my very best wishes to the Chinese and Vietnamese communities in Rosedale riding, across

Toronto and indeed throughout Canada as they celebrate the beginning of the Year of the Horse.

The Chinese community is one of the oldest and most distinguished in Canada. Throughout the years they have made an invaluable contribution to the building of Canada and to the cultural mosaic of our country.

The Vietnamese Canadian community has more recently settled but is also a vital part of the cultural life of this country. The Vietnamese have become full and active participants in Canadian society while maintaining the vibrant traditions of their past.

While China and Vietnam have had differences as countries I know that Canadians of Chinese and Vietnamese origin have and will find more that brings them together as Canadians than divides them. Best wishes for a happy and a prosperous new year.

* * *

POST-SECONDARY EDUCATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, a recently leaked document from the office of the Minister of Employment and Immigration reveals that $51.8 million is being cut from the Summer Employment Experience Development Program. That is a 44 per cent cut in the federal government's commitments to student summer employment opportunities.

The Prime Minister has committed himself to making education a priority of his government but the government's commitment to education and its rhetoric are billions of dollars apart. The Minister of Finance has cut $7 billion in transfers to the provinces for post-secondary education over the next eight years and plans more cuts. He has added a 3 per cent administration fee for student loan applications and hit Canada's universities and colleges and their students with the goods and services tax. Students' fees are being increased across the country while the Secretary of State defends his government's devastating policies.

On top of this high interest rates hurt hundreds of thousands of Canadians trying to pay off huge student loans. All those involved in post-secondary education and concerned about the future of Canada and its young people call upon the Prime Minister and this government to stop the cuts and give Canadians a chance to get the education they need and deserve. The government should be helping, not devastating our post-secondary education system.

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FISHERIES

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I would like to speak about the Atlantic Canada fishing crisis.

We must acknowledge the serious economic problems caused in many areas of the Atlantic region by the sharp decline in fish stocks in Canada's east coast fishery. However, it is equally important to recognize that solutions to those problems will probably not be found in some miraculous revival of the fishery resource. In fact, we may just be stopping in time to avoid incurable depletion.

The first important step toward solutions may well be to reluctantly accept that our fisheries have now reached and exceeded their limits of sustainable development. By so doing perhaps we can better turn our minds and our energies to finding real and lasting answers for present circumstances.

The immediate priority, of course, is to ensure economic support for people in those communities who have critically and unfortunately lost their livelihoods. We probably have the best unemployment insurance program and over all social safety net in the world for those purposes.

The ultimate priority though is to create new economic activities which are sustainable long term. We have good programs for these purposes too, better than ever before with ACOA's mandate, that are already paying major dividends in our Atlantic economy which is still a good one despite the fisheries crisis.

Our most valuable assets always are the traditional capabilities of Atlantic Canadians to cope, to create and to overcome. There is plenty of evidence in the Atlantic regional economy today to prove that. Our most compelling need now is to fully use all of those capabilities and to get on with the job.

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CANADA POST CORPORATION

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I rise to protest again this government's callous treatment of its northern citizens. Under a program begun many years ago under a different administration, Canada Post has been shipping food to northern Canadians at special

mail rates. The program's special social objective is to reduce regional disparity by enabling northerners to purchase fresh food at relatively affordable prices.

This government, however, has decided to eliminate the program and is phasing out its funding. Canada Post, as a result, is increasing the food mail rates to northern communities. Last October, Canada Post proposed to increase the food mail rate by 32 per cent. After protest by northerners and northern MPs this enormous increase now will be reduced by a minimal 5 per cent. This is small comfort.

My constituents in the eastern and central Arctic already shoulder the highest cost of living in this country and many are on fixed incomes. Because of the government's action many of my constituents will go without certain basic foods just so the government can increase Canada Post profits.

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UNEMPLOYMENT INSURANCE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, it has been a long time since Canadians have had an opportunity to witness a spectacle of hypocrisy to match the visit earlier this week of the committee of the other place on Bill C-21 to the town of Canso.

The message I understand that the committee did not share with the people of that fine town who have been so troubled is that right now, today, this very week, the number of weeks required to qualify for UI is double that which would be required if Bill C-21 were law. It is ten weeks plus four weeks because the other place has stalled the VER, plus six weeks penalty from the existing repeater provision.

Under Bill C-21 Guysborough County, including the town of Canso, will move to the Cape Breton UI district. The repeater provision will be gone. The number of weeks required will be ten weeks, not the current 20.

Senator Hebert, why did you not tell them the whole story? Let C-21 pass into law.

TRADE

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, during this one-year assessment of the free trade deal, the Minister for International Trade stated that Canadian border communities should get off their duffs and promote our business advantages here in Canada. The city of Cornwall has lost several industries recently with 550 workers losing their jobs. These closings and the ripple effect they produce have shocked this community. However, the workers of one plant, Marimac Inc., are trying to purchase their former employer's business rather than give up.

As well, 150 workers of BASF Cornwall are doing everything possible to save their plant, including calling upon the Prime Minister for assistance. This should tell the trade minister something about the determination of Canadian border towns to stay alive under his government's trade deal.

I believe it is the Minister for International Trade who should get off his duff and deliver to Canadian workers and industries the increased access to U.S. markets which he has been promising for so long.

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RESIGNATION OF MINISTER

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, yesterday Canada's amateur sports community was shocked to learn that it had lost a leader. The hon. member for Sherbrooke had always carried out his duties with honesty and openness. Unfortunately, due to a minor technical violation of the ministerial code of conduct, he has chosen to resign his post as Minister of Sport.

This was of course an honourable action by an honourable man. In offering his resignation the member for Sherbrooke was upholding the honour of this noble institution. He realized that the principle of judicial independence must be maintained even though others may not. He did what was right, not what was convenient.

• (1410)

I know that all members of this House salute this man of honour and I look forward to the return of this great friend of Parliament.

ILLITERACY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today the International Book Voyage sponsored by the movement for Canadian literacy is being launched. Representing B.C. is Larry Loyie, a native Canadian who attended literacy programs at Carnegie Centre in Vancouver East.

Two years ago Larry was functionally illiterate. Now, due to his persistence, he is a creative writer who is helping others. This morning the minister said over four million Canadians are functionally illiterate. This wasted potential has serious personal, social and economic consequences. Yet literacy programs in Vancouver, and I expect elsewhere, accommodate only 2 per cent of illiterate persons. Language and literacy needs of many immigrants are being ignored.

I call on the minister to ensure ongoing funding for literacy programs so that the International Year of Literacy will not have been in vain, and so that Canada will benefit from the expanded potential of our people.

* * *

[*Translation*]

THE MINISTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the sports community is deeply saddened by the resignation of the Hon. Jean Charest, rightfully acknowledged as the best Minister of Sports Canada has ever had. At the Saskatoon Games as well as at the Quebec Games in Val-d'Or I was able to see for myself just how simple and human the Hon. Jean Charest, Member for Sherbrooke, was with athletes and organizers who approached him to discuss various issues.

The Hon. Jean Charest has also earned the full respect of the international constituency both for his position on drug use by athletes and for his strong defence of Canada's sports policy at the *Jeux de la francophonie*. He was also deeply concerned over other issues such as the predicament of young secondary school drop-outs in Canada and the integration of the handicapped in the Commonwealth Games.

Mr. Speaker, what I have just said gives us every reason to deplore the minister's resignation.

[*English*]

FISHERIES

Mrs. Coline Campbell (South West Nova): Mr. Speaker, yesterday, the Minister of Fisheries and Oceans again showed his lack of understanding of the fishery. When mentioning the 200-mile limit, he said that the zone was "entrusted" to our use.

According to International Law of the Sea, Canada has complete management rights within the 200-mile exclusive economic zone. Moreover, the agreed rights of foreigners to catch surplus stocks is subject to our control and regulation.

In short, the minister has it all backwards. It is we who entrust our surplus stocks to foreign fishermen, only after we have determined that doing so is not against the interest of the Canadians. Our authority within the 200-mile limit is unquestioned and without limits. It is not entrusted to us.

Has the minister forgotten that we declared the 200-mile limit because it was clear that we could not trust foreigners to care about the long-term sustainable development of our fishery? Maybe he has not forgotten; maybe he was announcing a major change in policy. Maybe the government has decided that it is the foreigners out of the goodness of their hearts who have given us the right to fish within our 200-mile limit.

Actually, this might explain much of what the government has been doing to the Atlantic in recent months. I would ask that the minister give the House more warning in future, when he is planning such major announcements that so affect the east coast. Maybe we could take him on a long walk off a short pier, or take him out to the 12-mile limit and show him that it would be a Canadian boat that would have to rescue him.

* * *

NEW DEMOCRATIC PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, last night and this morning I witnessed a total contempt for this Chamber and for the Speaker by the NDP.

Canadians will want to know that the New Democratic members of Parliament have no guts to stand in their place and debate their position. Canadians should know that the New Democrats are making a mockery of the

purpose of this Chamber. Their games played here belong in Romper Room. The New Democratic Party has demonstrated again that they have made a complete farce of their own principles.

It is a known fact that the big winners of the GST are low and modest income Canadians and the biggest losers are the rich. What a shameful demonstration by Wonder Woman and her romper room brats.

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

Mr. Speaker: In the event that a similar statement is made by any hon. member, I just want to give notice that the last comment was pretty clearly directed at an individual, and I know that hon. members would know that that is not acceptable in this House.

* * *

CHILD POVERTY

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the Canadian Institute of Child Health released a report on the health of Canadian children today that is a national tragedy. This report found that our children are at the bottom of the priority list of both the federal and provincial governments. Without the political will for immediate action our children will continue to suffer.

Figures show the death rates for poor children are 56 per cent higher than those for higher-income children. Native infant mortality rates are twice the national rate. The economic level of families can determine the health of our children.

Poverty does not mean that a child will necessarily have health problems, but poverty does mean children in poor families are at greater risk of illness and death. Poverty often means a child plays on the street or comes home to an empty house because parents cannot afford adequate child care.

The Tories, by shelving a national child care program, have done nothing to reduce the risk. The Tories have ignored this risk. The Tories have failed our children. Canadians must demand that we increase the value we place on the well-being of our children. It is their right and it is an investment in the future of our country. I support the Canadian Institute of Child Health's recommendation and call on this government to create a national child health policy.

* * *

[*Translation*]

GOVERNMENT SPENDING

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, the Canadian Chamber of Commerce has given us, as government members, and the Canadian people a very clear message: cut federal spending.

Mr. Speaker, the deficit is eating into the government's financial resources, threatening the very existence of our social programs, and exerting enormous pressure on the Canadian economy by depriving it of the capital needed to ensure the smooth operation of this country's businesses.

The solutions are difficult but obvious: a three-year freeze on government operating expenditures; saving programs which contribute to economic growth and provide for the security of the various classes; and further substantial cuts in the public service.

ORAL QUESTION PERIOD

[*English*]

PROPOSED GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It concerns the economic rationale of his new goods and services tax. Everyone, even his Minister of Finance, is predicting that the country is now entering a period of slow growth. The Prime Minister chooses now to introduce a massive new sales tax. The Prime Minister says that he will not bring interest rates down because he has to fight inflation. Indeed, the bank rate went up again this morning. At the same time the Prime Minister is introducing a brand new sales tax.

The Prime Minister claimed this week in the House of Commons that he is committed to the less favoured regions of the country, yet he introduces a brand new sales tax which will hurt and inflict the most hardship on the regions of the country.

If he is so concerned about inflationary pressures, if he is so concerned about slower economic growth, if he is so

concerned about aiding the less favoured regions of the country, why does he, at this moment, introduce a massive regressive, inflationary sales tax that risks the economic future of the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think most people would agree that the idea of introducing or changing taxation measures is for any government neither pleasant nor easy. Canadian Parliaments have considered the problem of the manufacturers' sales tax for decades. There has been general agreement in this Parliament under different governments and across the nation that the present manufacturers' sales tax places a severe penalty on Canadian manufacturers and favours importers over those who create jobs in Canada. We are the only industrialized country left with that kind of pernicious tax on our own domestic manufacturers and producers. Forty-eight of our leading competitors around the world have adopted a tax similar to the goods and services tax that is now being proposed here.

• (1420)

I draw to my hon. friend's attention that all of the analysts of substance indicate that while there will be a modest initial increase in inflation, in the longer haul the structural reforms that will be brought about by the introduction of a goods and services tax will be beneficial for the entire nation. It will increase our competitive position, it will help our exporters and will create new wealth and new employment in Canada.

As I conclude—

Some hon. members: Order!

Mr. Mulroney: I draw to my friend's attention that this is a replacement tax. We are getting rid of a 13.5 per cent manufacturers' sales tax and substituting for it a 7 per cent goods and services tax. I believe that is in the interests of consumers and producers alike.

Right Hon. John N. Turner (Leader of the Opposition): I would think that after that answer we all have as much latitude as we need.

I draw to the Prime Minister's attention that the two largest trading nations in the world, namely the United States and Japan, have no such tax as his Minister of Finance has just introduced. It is no accident that they are the strongest trading nations in the world.

[*Translation*]

Mr. Speaker, the economists tell us that the government should do everything it can to spare Canada a recession. The Prime Minister and his government, however, are doing the exact opposite of what has to be done. After reducing funding for the social programs that might have helped us in these difficult times, the Prime Minister is dead set on introducing his goods and services tax, which will aggravate inflation and cause more unemployment.

Could the Prime Minister explain to the House why he is going to introduce the goods and services tax although he knows perfectly well that in the present circumstances, this tax may well bring about a recession?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Liberal Party has criticized the present tax system. The Liberal Party said that the present tax was pernicious and that we had to get rid of it. I think the Liberals would do well to consider defining their tax alternatives. They are against the GST, but they have nothing positive to offer.

I think the Liberal Party has a moral obligation, if it wants to be taken seriously, to identify for the purposes of this debate the exact nature of its tax proposals.

The Leader of the Opposition said in his preamble—

[*English*]

That our two leading trading partners do not have the equivalent of a GST. He is quite wrong. Japan has introduced the equivalent of a GST. While the United States does not have a GST, it does not have medicare either. Canadians will decide Canadian policies.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let us consider the consistency of the Prime Minister. Apparently we have the current version of the goods and services tax which was introduced in this House yesterday. It violates all of his election promises relating to such a tax. It violates the election promise he made for provincial participation and it violates the election promise for simplicity. It violates his election promise for visibility. It violates his election promise for fairness and it violates his election promise for revenue neutrality.

If this is the final version of the Prime Minister's goods and services tax, why is it 100 per cent the opposite of what he promised during the last election? Has he got to the stage now where he no longer feels any personal obligation to fulfil his promises and commitments to the Canadian people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have demonstrated clearly that we have fulfilled our promises. I want to take the leader of the opposition through what he has just said, point by point. On the question of provincial participation, we said at the time—

Mr. Turner (Vancouver Quadra): Unworkable without it. That is what you said.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, if I might have the opportunity to refer the Leader of the Opposition to the white paper back in June, 1987, we said that there were three options. What is being proposed in legislation now is precisely one of those options. We tried to get provincial participation. It was not possible.

Second, on simplicity, perhaps the hon. member would like to compare the manufacturers' sales tax and its 22,000 exemptions out of 75,000 taxpayers with this particular tax. If he looks at that tax where one out of three taxpayers has an exemption and some sort of special deal on it with Revenue Canada, surely the Leader of the Opposition will understand that it is a very complex tax.

The third point is visibility. How can the hon. member say we are not moving to a very visible tax? By changing from an existing tax which is very deep in the price of anything that is purchased in this country to one where the cash register receipt will show how much tax is paid, that is visibility.

* * *

[*Translation*]

BORDER CONTROL

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday, Montrealers were dismayed to learn that the Miron quarry had become a dump for waste from New York.

I would like to ask the minister what concrete and practical measures he has taken since his colleague from the Environment and he assured this House in December 1988 that they were taking measures to control the Canada–U.S. border? What has been done? How is it that today, 14 months later, we find ourselves with a situation like the one at the Miron quarry in Montreal?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member will know that we have entered into agreements with the Department of the Environment for the Province of Quebec to monitor the borders on illegal solid waste coming into this country—

Mr. Turner (Vancouver Quadra): Check it off as it comes in.

Mr. Jelinek: The Leader of the Opposition just doesn't want to listen, does he? We have been very successful in the last 14 months. The hon. member has just pointed out the time frame.

However, a few days ago solid waste was hidden in recycled paper as a new method of trying to move solid waste into Canada. A shipment did come in. A shipment came in because it was impossible for our customs officers to know that it was being hidden in the recycled paper. We took immediate measures to utilize our new automated computers, our Customs commercialized systems, to have an input into the system. As a result of that, as recently as yesterday our customs officers stopped another illegal shipment with waste hidden in the recycled paper and the U.S. Customs were able to seize it as a result of the positive steps taken by Canada Customs. So, our system is working.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a supplementary question.

The minister tells us about a truck that was blocked. But he is silent on the dozens of trucks carrying thousands of tons of waste from the United States which are dumped here in Canada. We are indignant about this silence on these trucks coming from the United States.

Does the minister know that Quebec has a law making this American waste illegal? When will he reach an agreement with U.S. Customs to stop this American waste at the U.S. border?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the hon. member should know that there are some liquid and other wastes that are not dangerous to our environment and society that are allowed to move on both sides of the border. Those illegal wastes, solid wastes, which are not allowed to come into this country are being monitored. Agreements have been made not only the Department of the Environment from the Province of Quebec, but with U.S. Customs and other agencies. We are working very closely with the Department of the Environment and my colleague, the Minister of the Environment, and we are satisfied that there is no negative effect as a result of the position that this government has taken.

• (1430)

What has happened in recent days in Quebec proves that the system is working and that illegal waste is not entering Canada from the United States.

* * *

[*Translation*]

TAXATION

Ms. Audrey McLaughlin (Yukon): My question is directed to the Prime Minister. Groups opposed to this government's goods and services tax are springing up across the country. This week, senior citizens in Montreal said: "This is a regressive tax that causes severe hardship for those who are in greatest need, the poor and the elderly". And the government answers that it has no other option. My question to the Prime Minister is as follows: How can he keep saying that all Canadians must pay more tax on all the items they buy, when tax loopholes for the rich, the people who make thousands of dollars worth of profits on the stock exchange or in real estate, continue to exist?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the hon. member is mistaken. We do have a very regressive tax in Canada at this moment. I am referring to the manufacturers' sales tax, that will be eliminated when the GST is introduced. We must remember that under this program, Canada will eliminate the existing 13.5 per cent tax and replace it with the 7 per cent GST. We must not forget that this tax measure contains tax benefits that will help the neediest, the less fortunate in our society. This means that the GST will be applied far more progressively than the present tax that will disappear as a result of this new measure.

[*English*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Prime Minister says that the manufacturers' sales tax is not fair. I would ask the Prime Minister why his government raised it not one time, not two times, not three times, but four times since his government has been in office.

The reason Canadians are opposed to the goods and services tax is that they recognize that the tax burden is not being shared fairly in this country. Will the Prime Minister confirm that the tax deduction which allows businesses to write off 80 per cent of their entertainment expenses costs this government approximately $1 billion per year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks why the taxes were raised. The taxes were raised by this government for the same reason they are raised by other governments here and around the world: to pay bills, to pay the cost of increasing demands of society for everything from health, education and welfare to research and development.

In all of those areas, this government has increased the federal commitment dramatically over the last five years, and all of those have to be paid for. They can be paid for either by raising taxes, cutting expenditures or printing money. There was too much money printed for too long around here, the consequence of which was rising inflation, sky-rocketing unemployment and a burden of debt which we inherited from the Liberals and are now trying to get rid of.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the New Democratic Party has provided a number of alternatives to the goods and services tax.

Some hon. members: Oh, oh!

Ms. McLaughlin: Will the Prime Minister commit to a fair tax system to raise revenues by ensuring that businesses do not receive a particular benefit that ordinary Canadians do not receive? I ask the Prime Minister again, will he confirm that the 80 per cent tax deduction for businesses on entertainment—we are talking about entertainment—costs this government

about $1 billion a year which could go to provide for those programs that the Prime Minister speaks of.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, both I and the country will remain transfixed as we await the presentation of the options for taxation from the NDP.

All our measures will be announced in the budget, but if my hon. friend is interested in equity, the fact is that once the GST is in place, lower and modest-income seniors will pay less tax under the GST than they do today.

I think this will be of interest to all senior citizens. This will be accomplished through the GST credit which will be paid by cheque four times a year to 84 per cent of the senior citizens in Canada. As soon as the House passes the GST, 84 per cent of senior citizens four times a year will receive a very substantial cheque directly from the federal treasury to make sure that they are kept whole and that they come out of this ahead.

This is what social justice is all about. The NDP should be supporting it.

* * *

[*Translation*]

THE ENVIRONMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Environment Minister. In December 1988, the Minister of the Environment made commitments in this House when American construction waste was being imported. A little later, it was contaminated oil. Then the Americans sent us their old household appliances, making Canada their dump, and now they are sending us their medical waste, making Canada the Americans' toilet.

Mr. Speaker, my question for the Environment Minister is this: Since that commitment was made in December 1988, what concrete action has he taken to stop this intolerable situation for all Québecers and Canadians?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, that is the kind of irresponsible question that is sometimes asked about the environment. It is irresponsible because it refers, for example, to traffic in contaminated oil. We know very well that we conducted a thorough investigation, involving over 1,000 samples. We never found a drop of contaminated oil at the border since last year. Secondly, refrigerators were mentioned, for example. We know that chemicals to replace CFCs now exist. But will we require their introduction when we still do not have the information to know whether or not they are more dangerous than CFCs? We are waiting for reports; specialists are looking into it. One must be responsible, Mr. Speaker, and we are!

Something we are now doing is that in June we will publish new regulations in the wake of the Basel Agreement which will forbid international transportation of toxic substances within a very precise framework and will also include regulations banning the import of scrapped construction materials from the United States. We are beyond reproach on this score, Mr. Speaker, and I want to denounce this kind of untimely initiative.

Hon. Jean Lapierre (Shefford): Mr. Speaker, the minister never spoke so truthfully. Indeed, he is responsible for the mess Canada is in. The reality is that the Province of Quebec has done its job and passed very specific regulations on waste. I am waiting for the minister to act. Minister Paradis is waiting for the federal government to act. The City of Montreal is waiting for the federal government to act. Wake up! What concrete action will you take so that we stop being the Americans' laughing stock?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the hon. member just referred to my friend, our friend, the Minister of the Environment, Mr. Paradis. First I note that Mr. Paradis put me as well on his hit list, in good company with Mr. Bourassa, his deputy minister and officials.

Secondly, Mr. Speaker, I would suggest in a very friendly way that my friend Mr. Paradis adopt more coherent regulations on importing such material. For example, it costs $100 a ton to bury this kind of dry material in New York and only $12.50 in Quebec. Perhaps Quebec should change its regulations, Mr. Speaker.

• (1440)

[*English*]

EXTERNAL AFFAIRS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is directed to the Minister for External Relations. Today we had the opportunity of meeting with several members of the Canadian Non-Government Organization Community who work in overseas development.

Last May the minister gave a firm commitment that cuts in foreign aid would not be repeated in this year's budget, and that in fact, in terms of dollars, there would be an increase as well as an increase of ODA as a percentage of GNP.

Will the minister today categorically reaffirm to me and the Canadian NGO community that her word is good, and that she can be relied upon?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I can inform the hon. member that although this government is intent on reducing the deficit and, as a result, there have been cuts in the aid budget, the government's commitment to international development has not changed. I think our credibility is more important than the amounts allocated for the aid budget, and since 1984, there have been many initiatives reflecting the Canadian government's commitment to Third World countries.

As for the meeting to which the hon. member referred, this morning the Secretary of State and I also had the pleasure of meeting representatives of the various NGOs. I think all parties agreed it was necessary to make the public more aware of its role in supporting development aid.

As for our position, we maintained the government's commitment to help the poorest countries.

[*English*]

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is directed to the same minister. I do not feel that I got an answer to my previous question.

Last May the minister said in the House of Commons: "As soon as next year, we will increase aid funding which will grow by $800 million over the coming year, and this, Mr. Speaker, is a firm commitment".

Poverty in the Third World has a direct negative impact on Canada's economy, environment and security. Why can this government not assure us that it will live up to its commitments to the Third World today for our sake and theirs?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, the hon. member is referring to something I said last year. Perhaps I, in turn, may refer to what was said on January 19, 1981 by the Liberal Prime Minister at the time, in answer to a question—

An hon. member: Promises, promises!

Mrs. Landry: —don't you want to hear what I have to say?

—to a question put by the hon. member for Oshawa, who asked the Leader of the Liberal Party about that party's commitment with respect to .5 and .7, and I quote the Prime Minister at the time, who said:

> The hon. gentleman says that from 1975 on we have not progressed in proportional terms toward the goal I had set, and he is right.

Mr. Speaker, I don't think the Liberal Party has a monopoly on compassion.

[*English*]

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, in her answer to the previous question, the Minister for External Relations referred to Canada's credibility. I would like to ask the Secretary of State for External Affairs a question about Canada's credibility and about his own credibility.

It seems to me that what is at stake in whether or not there are further cuts to overseas development assistance funds in Canada is the credibility of Canada as a country seriously committed to international development and the credibility of the Secretary of State for External Affairs into whose safekeeping that reputation is given.

I ask the Secretary of State for External Affairs if he will rise in his place now and say that he will not give in

to the dictatorship of small minds coming out of the Ministry of Finance and that he will stand up for Canada's reputation as a country committed to overseas development assistance?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, while we are talking about the credibility of Canada in foreign policy, I must make reference again to the shameful display this morning by members of the New Democratic Party when, for simple partisan reasons, they prevented the discussion in this House of Commons of an important foreign policy statement with regard to Indo-China and Cambodia.

Some hon. members: Hear, hear!

Mr. Clark (Yellowhead): The hon. member will well know that of the major industrialized countries, the G-7, Canada is second only to France in terms of the proportion of money we make available to official development assistance.

The member will know that in terms of forgiveness of debt, in terms of moving to an all-grant basis, in terms of taking initiatives whether they are in Indo-China or in Central America or in Africa or anywhere else, this government has very often and consistently taken the lead in the world. We intend to continue to do that and we intend to maintain the capacity to do that.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the minister does himself a disservice by misrepresenting what happened here this morning. He knows that it was a motion moved by his colleague which prevented him from making the statement that he wanted to make.

Does the Secretary of State for External Affairs not realize that the very reputation which he referred to in his answer, without answering the question that I asked him about the cuts, is the very thing that all of us want to preserve? I ask him to answer the question. Will he stand up to the pressure that is being put on his department to cut back funds to overseas development assistance? Will he get up in the House today and say that there will be no cut-back and that if there is, he will have the decency to resign in protest?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member has not come through so clearly since he stopped wearing a microphone.

Some hon. members: Hear, hear!

Mr. Clark (Yellowhead): The Official Opposition today was prepared to let me make the statement on Cambodia. I wonder if I might have the unanimous consent of the House, specifically the New Democratic Party, to table and have appended to *Hansard* the statement that I would have made today about Canada's initiative, including an aid initiative in Indo-China, an opportunity that was lost because the New Democratic Party wanted to play politics rather than get on with the foreign policy of this country.

Some hon. members: No!

* * *

THE ENVIRONMENT

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of the Environment.

The proposed fixed link crossing, the bridge to Prince Edward Island, would be a major infrastructure investment of almost $1 billion, one which a majority of Islanders and most other Canadians feel would be a big boost to both Prince Edward Island and to the Atlantic region. Certainly if it were feasible to do, it would be a most timely investment for all concerned in present circumstances.

I understand that the project as proposed would be self-financing over 35 years and in fact would eventually eliminate even the federal ferry subsidies which currently exist. Of major concern to all is that the crossing structure project be environmentally sound. It has been under study by an environmental review panel whose report I understand was supposed to be with us by September 1989.

My question is this: What is the present status of that review, when will it be received and can it be intensified and accelerated in light of current economic needs?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I want to thank the member for his excellent question.

Mr. Speaker: We were all anticipating that start to the response.

Some hon. members: Hear, hear!

• (1450)

Mr. Bouchard (Lac-Saint-Jean): In a nutshell, the panel has been struck. The panel has requested further information from Public Works. They were provided with information last December and public hearings should begin in March. By the end of July, we should be provided with a final report.

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EXTERNAL AFFAIRS

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, the members of the non-governmental organizations who are here today will be very disappointed that the minister is breaking her promise for $800 million which she made last year. My question is directed to the Secretary of State for External Affairs.

In view of the dramatic developments that are taking place in Europe today and in view of the fact that these eastern European countries are going to need moneys to rebuild their economies, my question to the Minister is this: Will moneys that have been allocated for Third World countries be redirected to help these European economies and countries and cause insufferable hardship on the Third World or will new moneys be allocated for this purpose?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, earlier today the Deputy Prime Minister and I had the opportunity to meet with Mr. Wojcik of Poland who has been in the country leading a Polish economic commission holding seminars across the country trying to find practical ways in which Canadian entrepreneurs and others might take part in the dramatic changes in Europe. That is certainly one kind of aid that Canada can extend.

Another kind of aid has been announced by my colleague and by other ministers of the government in a $42 million package that is available to Poland and other countries. We are, of course, participating in the formation of a new eastern European development bank.

As the hon. member would know, the only way that funds to eastern Europe could be eligible as official development assistance would be if that were so agreed by the Development Advisory Committee of the OECD. They have not agreed and that settles the question.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): We are happy to hear that these moneys will not be redirected.

[*Translation*]

My second question, Mr. Speaker, is directed to the Minister of the Environment.

Third World poverty is the most extreme on this planet. If there are any cuts in aid programs for the Third World, the ensuing destruction of forests and the effects of famine will affect the environment of Third World countries and the entire world.

My question is this: Can the Minister promise the House that he will speak to his colleagues to ensure that Third World Aid funding will not be cut?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to mention a personal experience I had, and I do so with a great deal of pride. I had the privilege of attending the conference at the Francophone Summit in Quebec City where the Prime Minister was the first to announce that Canada was cancelling all debts of African countries. I still feel very proud of the fact. This decision has enhanced Canada's international reputation, and I don't think we need any lectures from anyone on the subject.

* * *

[*English*]

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries. The minister knows that after much effort by Canadians in processing, harvesting and marketing, redfish has become an important species in Atlantic Canada. For National Sea Products it is now their second largest catch. Yet in a letter dated January 9, to the minister, the president of National Sea expressed shock that without prior consultation or discussion, redfish was being included in a program for under-utilized species and National Sea's allocation was to be reduced below projected catch levels for 1990.

How does the minister justify giving this species away as under-utilized when National Sea wants to harvest it

and fish plant workers in Canso, Gaultois, Trepassey and elsewhere face the loss of their livelihood?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member might understand that tens of thousands of tonnes of surplus species, including redfish, have been left uncaught by the Canadian fishery in recent years. I believe that in these times where Atlantic communities are facing great hardship because there are fish unavailable from our primary cod stocks, we should take advantage of this uncaught surplus through a pooling arrangement to make it available to firms that will indeed harvest it, process it and market it to create additional employment in Atlantic Canada.

I have made that opportunity available to the established redfish users by giving them a 20 per cent cushion over and above the redfish they have used during the past four years and offered to supplement it on the basis of viable enterprise proposals which they will put before the Ministry of Fisheries and Oceans. Other parties can at the same time put forward bids to turn this unused resource to the advantage of Atlantic communities.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the Minister of Fisheries repeatedly said in the House that Canadians are free and in fact encouraged to go out and fish these so-called under-utilized species. Why is it that when they do and when they invest time and money into developing them, he calls them under-utilized and gives them away at the same time as these fish plants in Atlantic Canada are being allowed to close?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as I have already said, we make surplus fish stocks available on a priority basis to any Canadian venture and to any Canadian fisherman who wishes to go out and harvest that stock.

The decisions on which these quotas of surplus and non-surplus stocks are based are taken after extensive consultation with all of the interested parties in the Atlantic groundfish fishery. I must repeat the point I made a moment ago: There are tens of thousands of tonnes of redfish which have been left uncaught in the water and I intend to make those available to the large companies and to others who bring forward viable propositions to land them in Canadian plants and create that economic benefit for Atlantic communities.

* * *

PROPOSED GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, outside the House, the minister said that support was growing for his GST proposal.

Was the Minister of Finance referring to the fact that the provincial Liberal government in Ontario has enthusiastically jumped on his bandwagon by agreeing to collect the federal tax? Can he also confirm that a second provincial Liberal government, namely that of the province of New Brunswick, led by Frank McKenna, is about to jump on this Liberal-Conservative bandwagon of the GST? Can he confirm those facts?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member knows, there is growing all-party support, and I am sure that if there had been a provincial NDP government, it would also be offering to participate in what I think are useful discussions which we initiated as a result of the federal-provincial Finance Ministers' meeting in early December to review different ways that we could co-operate, between the two levels of government, to reduce the compliance burden and to find ways that could simplify the operations of the tax, particularly as far as small businesses are concerned.

I did not imply that the provincial governments were coming on board in support of this particular proposal, but I do want to say that I am very encouraged by the positive attitude on the part of the provincial governments to look for ways of simplifying the operations of the tax.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wonder if the Minister of Finance can explain something else. We learned yesterday that three polls done last year on the GST cost the taxpayers some $290,000. I wonder if he would agree that this is a waste of money. Why spend that kind of money on polling? I wonder whether or not he will also agree to tell us how much more money they are going to spend on polling on the GST and whether or not those polls will be made public without going through the process of access to information.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would point out that this was a Canadian pollster that we used, not like the American pollsters that are used by the New Democratic Party of Canada.

• (1500)

The hon. member knows that it is useful and helpful in the course of policy development to have a sense of some of the attitudes and the directions of Canadian thinking so that we can better reflect in the decisions that we make the attitudes that Canadians have. That is one thing that members of Parliament do, they try to assess how people are thinking about particular issues. This is just further development along those same lines.

* * *

EXTERNAL AID

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the Secretary of State for External Affairs. In 1984–85 thousands of Ethiopian Jews were airlifted to Israel to escape the persecution and famine in that country but, unfortunately, thousands more were left behind. Of these, 1,500 were children, many of whose families had been transferred to Israel.

In light of Canada's good relations with Ethiopia over the years and in light of the fact that there is evidence that the famine is recurring, what is Canada prepared to do to bring about the release, emigration and reunification of these unfortunate people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my department and I have been involved in this issue for some years and will continue to do what we can to bring about the reunification of families of Ethiopian Jews.

Of course, what is easiest for us to do is to encourage the reunification of families which have connections in Canada. We make regular representations to the Government of Ethiopia to facilitate that process and will continue to do that. If there are particular cases which the hon. member or anyone else has to bring to my attention, I would like to receive them and I will pursue them.

Mr. Speaker: The hon. member for Winnipeg North Centre, a single question.

AGRICULTURE

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Agriculture. As he well knows, the western Canadian farmer is undergoing a real crisis. It is estimated that his income for the coming year is going to be 10 per cent of what it was last year. The Canadian farmer will be making the same as he did in 1941.

I have a specific question. The Americans are saying they will go after any market that they have to, and they will pay anything to protect their market. That is the same market we have. They were willing to pay $20 a tonne in their latest grain sale with the Soviet Union. What is the minister doing to respond and to protect the Canadian farmer?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, 1988 was a record income year for farmers across Canada. In 1989 it dropped slightly but was still about 15 per cent above the five-year average.

The 1990 projections do not look as promising and, accordingly, the federal government and the provinces have established a committee to assess the problem; to assess the drought, the cash flow problems and the over-all finance problem. I expect to get a full report back by the end of February.

As the hon. member knows, the preliminary crop data will not be available until some time in the early part of February. It will be assessed to see whether in fact the programs that we now have in place will be able to be applied effectively or whether in fact there will need to be further assistance which we will develop together with the provinces.

Mr. Speaker: The hon. member for Brant, a single question.

* * *

CRUISE MISSILE TESTING

Mr. Derek Blackburn (Brant): Mr. Speaker, earlier this week I put a question to the Secretary of State for External Affairs with respect to ending the cruise missile testing in Canada. In response to that question the minister said that it was Canadian policy to follow in step with NATO and to work in concert with NATO with respect to arms build-down and bringing to a conclusion the cold war.

We find out today that Belgium, a member of NATO, has called for the withdrawal of some 26,000 troops from West Germany. The Minister of Defence in Belgium said that NATO was not responding fast enough to changing events in Europe.

I now put the question again to the Secretary of State for External Affairs. Will he also show courage and creativity in attempting to bring about the end of the cold war by announcing that not only will cruise missile testing come to an end in Canada but they will not continue with the designation of Goose Bay as a low-level training flight facility?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was naturally intrigued when I saw that report. I have checked into it. I understand that Belgian officials say that the Minister of Defence in that country was misreported by his media. That, of course, would never happen in this country. I am looking to determine exactly what was said and I will naturally bring it to the attention of the hon. member whose interest I understand.

* * *

POINT OF ORDER

Mr. Speaker: I would like to advise hon. members that we will take, I understand, a very short point of order from the Right Hon. Secretary of State for External Affairs followed by the usual question on business matters by the hon. member for Windsor West. Then we will have a question rising out of yesterday by the Minister of Finance followed by the member for Calgary West.

Mr. Clark (Yellowhead): Mr. Speaker, I have two separate points of order which I would like to pursue separately with your agreement.

The first is that I misled the House and falsely accused the member for Winnipeg Transcona of wearing a microphone at the New Democratic Party convention. That was inadvertent. I was wrong. I apologize to him and I apologize to the House for misleading it.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order. During question period, the Secretary of State for External Affairs (Mr. Clark) suggested that, with the unanimous consent of the House, the statement he wanted to make this morning could be tabled and appended to *Hansard*. I only want to say that we agree as long as the official opposition is also allowed to table its response.

Mr. Clark (Yellowhead): If I can speak for my government, we agree. I have the honour to table, in both official languages, a copy of my statement.

[*English*]

Mr. Girve Fretz (Erie): Mr. Speaker, on the point of order raised by the Right Hon. Secretary of State for External Affairs, I would like to draw your attention to comments made by the hon. member for Winnipeg Transcona.

In the heat of debate he called the right hon. gentleman an idiot. Sir, I believe that is language unbecoming a member of the House of Commons. I believe that he would do the honourable thing at this time and apologize.

Mr. Speaker: I must say that in all the years that I have been here, of course, I have never heard anyone called an idiot in this place. I am sure that the hon. member for Winnipeg Transcona may have thought that. If he uttered it, of course, I think it would be appropriate if he withdrew. But I, of course, will hear from my friend.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, only those things which are on the record and which Mr. Speaker hears are the things that people normally withdraw. But I did say what I said and I said it after the minister said what he just withdrew.

And so, having withdrawn it, I will do likewise.

Mr. Speaker: I am compelled to return to a matter of a minute or so ago. I would ask that the Secretary of State for External Affairs just remain for a moment.

I must ask the House if there is agreement that the Right Hon. Secretary of State table his comments. Is that agreed?

Some Hon. Members: Agreed.

Mr. Speaker: On the other hand, it seemed to me that that consent was given with a condition on the part of the Official Opposition at least.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, on a point of order, my recollection is that we are allowing the Secretary of State for External Affairs to table his statement in the House immediately. We will have up to six o'clock to table our own because I was to respond spontaneously to the minister. I now have to draft my response, which I do not mind, but normally I speak with just a few notes. So it is subject to this condition that we will agree.

• (1510)

Mr. Speaker: I want to say to the hon. member that I have a secretary that takes dictation very well. I make the facilities of the Speaker's office available to hon. colleagues.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on the same point, I think that since the Secretary of State for External Affairs has requested unanimous consent to table the remarks that he would have made in the House had his party not short-circuited his opportunity to make the speech, I think it is only fitting, if there is an agreement, that the two opposition parties are also able to table their responses. With that understanding, I give my consent.

Mr. Speaker: I take it also that consent is given that they will be appropriately printed in *Hansard*?

Some Hon. Members: Agreed.

[*Editor's Note: See Appendix.*]

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the representative of the government House Leader to give the customary statement of government business.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, tomorrow being Friday, we intend to call Bill C-5, which will be followed by Bill C-34. Then, if we have further time, we would call again the bills that are on the Order Paper for today. I should also say that on Monday, January 29, we expect to proceed on Bill C-62 and we expect, further, to call that on other days in the same week.

Points of Order

POINT OF ORDER

WAYS AND MEANS MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to thank the Chair for its indulgence in allowing me to spend some time considering the issue that was raised by the hon. member for Kamloops yesterday in relation to the tabling of Bill C-62 and the Ways and Means motion preceding that.

I should start by noting that the August technical paper was not tabled in the House. I said I wanted to check on that when I stood yesterday, Mr. Speaker. However, I did table the draft GST legislation on October 13, 1989, which, as I stated at the time, and I quote, "fully reflects in draft bill form what the August technical paper would look like if it were put into bill form". That is a clear reference to the technical paper.

I would like to go back a little bit further, however, because I think it is important to look at the process that sales tax reform has gone through to reach the point where yesterday the GST bill was introduced.

Sales tax reform was first mentioned when I tabled the agenda for economic renewal in November of 1984. In June of 1987 the white paper, which included extensive comments on sales tax reform, was issued. In November of 1987 and March of 1988 the finance committee tabled its studies of sales tax reform. In April of 1989 the goods and services tax reform paper was issued with the budget. In August of 1989 I issued the goods and services tax technical paper. In October of 1989, as I indicated earlier, we tabled the draft GST legislation. In November of 1989 the finance committee tabled its report on the technical paper on the goods and services tax.

Clearly, there would have been no committee hearings or committee report without the study of the technical paper. The sole purpose of the hearings undertaken by the finance committee was to study the technical paper and the proposals that were in that paper.

Finally, on December 19, 1989, I tabled a document entitled "The Goods and Services Tax" which superseded the August technical paper.

These are the documents that have been issued or tabled since our government started with the process of sales tax reform. I point out that none of these documents were required documents for the development of the legal authority to implement the GST. They were all useful documents from a policy development perspective but they were not necessary within the formal legislative process by which this House operates.

The Ways and Means motion that was tabled on Monday of this week, and was concurred in on the following day, is a different matter. It was, as members know, the first step in the legislative process of seeking legal authority from Parliament to implement the GST.

The Ways and Means motion adopted by this House on Tuesday of this week stands on is own as the first step in the legislative process, and it does not derive its authority from documents previously issued by the government or tabled in this House.

I submit, Mr. Speaker, that my hon. colleague's concerns about the implication of "a Ways and Means motion based on a non-parliamentary document" are misplaced. Policy development documents or discussion papers that precede the tabling of Ways and Means motions are often not formally tabled. I think the mistake that my hon. colleague makes is in confusing the policy development process with the process by which legislation derives its legal authority.

The truth of the matter is that, having come to the end of such a long process of policy development, the government did not wish to table a Ways and Means motion without providing the context. In short, we made reference to the August technical paper as a historical milestone of the GST policy development process in an effort to be helpful to members of this House.

You will note, Mr. Speaker, that our efforts in this regard were very clear. We listed the titles of the significant policy documents, their dates and how they were issued, either formally tabled or issued outside the House. Again, all of this to be helpful.

In closing, I would again submit that the Ways and Means motion tabled on Monday of this week stands on its own in providing the scope and the legal authority for the GST legislation, with or without the reference to the August technical paper that my hon. colleague has referred to.

It follows from this that the scope of the Ways and Means motion is clearly defined, and that the rate of the GST cannot be amended to exceed 7 per cent. I can assure you that there was never any intent to forge new parliamentary traditions, and I do not believe that that has been the result.

With that said, Mr. Speaker, if it would be helpful to the Chair, I would certainly be prepared to table the August technical paper. I would like to thank the Chair for its indulgence in this matter and hope that the ambiguity perceived by my hon. colleague has been laid to rest.

Mr. Speaker: The hon. parliamentary secretary on the same point.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I wish to enter into this discussion for a few moments this afternoon. I would like to make two arguments. The first one is that I think this is totally frivolous and that we should not be treating this point of order seriously. Second, I would like to put on the record for future reference, and I emphasize future reference, some of our comments on the process of Ways and Means motions.

Let me review the situation as I see it. The minister gave notice of his Ways and Means motion on Monday. On Tuesday the House voted and concurred in the Ways and Means motion. Yesterday, the GST bill was introduced and read the first time.

After reviewing the member's arguments, I cannot understand what point it is that he is really trying to make. If he or anyone else had a problem with the Ways and Means motion, why did they not express their concerns in the same way, for instance, that members do at the report stage on amendments placed on the Order Paper for debate, that being that any objections are presented before the item is moved and disposed of, or, as should have been the case here, before we voted to concur in the Ways and Means notice.

Raising his points now, after the House has decided by way of a vote on the Ways and Means motion, a vote that he took part in, is ridiculous and raises my concern that perhaps the member did not understand what he had in fact voted against.

Is he saying that Your Honour should rule the process invalid due to a reference in a Ways and Means motion that was put there to provide context and information in relation to an exhaustive and detailed public examination of a government proposal? How can the bill that we introduced be declared invalid simply by what has happened here in the past couple of days?

• (1520)

We do not believe that in any way any changes to the Ways and Means motion would affect one comma of this bill. Taxation bills are based on, and not identical to, Ways and Means motions. We would ask if this House is now to swallow itself by giving weight to documents issued, tabled or whatever during a five-year process of study by the public, the government or the committees of this House.

Is the member seriously suggesting that somehow overnight the Ways and Means process now must include technical papers as a formal and interpretative part of the process that will extend or restrict the scope of whatever bill it is that the government is planning on proceeding with? Surely not. The Ways and Means is the first step in the process of bringing forward a taxation measure. That is pure and it is simple.

I am not sure what this game of procedural brinkmanship is all about but I suspect it has more to do with simply stalling a measure that he and his party do not support and it really begs the question, "Whatever has happened to the old-fashioned way of getting at issues called debate?"

Having said that I believe this whole process is frivolous, I do want to, for the future, put a few thoughts on the record. I emphasize again, for the future, should a question on another Ways and Means motion come up at another time.

The member has stated that the whole process of the Ways and Means tabling, concurrence and, finally, the GST's introduction is invalid because the August 8, 1989 technical paper referred to in the GST Ways and Means was not tabled when released by the minister, and further, that this government is somehow embarking on a new procedure of basing finance bills on technical papers that have or have not been tabled in this House.

This is simply not the case. The August 8, 1989 technical paper was not tabled at the time of its release simply because the House was not sitting in August. The Ways and Means motion states that the August technical paper was issued and not tabled. Documents for which no statutory requirement for tabling exist do not have to be tabled.

Standing Order 32 deals with documents that should be tabled and I quote Standing Order 32(1):

> Any return, report or other paper required to be laid before the House in accordance with any Act of Parliament or in pursuance of any resolution or Standing Order of this House may be deposited with the Clerk of the House on any sitting day, and such return, report or other paper shall be deemed for all purposes to have been presented to or laid before the House.

Standing Order 32(2) says:

> A Minister of the Crown, or a Parliamentary Secretary acting on behalf of a Minister, may, in his or her place in the House, state that he or she proposes to lay upon the Table of the House, any report or other paper dealing with a matter coming within the administrative responsibilities of the government, and, thereupon, the same shall be deemed for all purposes to have been laid before the House.

If documents are tabled for which no statutory requirement exists, it is simply because the minister wishes to do so as a courtesy so that the public and Parliament can be informed of government initiatives. This August 8 technical paper, while not tabled, was in fact distributed to all members of Parliament following its release and was in fact the only document released by the Department of Finance on August 8, 1989, as was stated in the Ways and Means motion relating to the GST.

What could be more specific than that? How could the member end up still being confused? The hon. member is trying to give formal parliamentary weight to a document which, all along, was meant only to inform the public as part of the government's ongoing process of consultation and information. In short, the minister is being taken to task on the floor of the House of Commons because he was being helpful in providing context to where the Ways and Means emanated from.

I think if we go through all of the documents, the Ways and Means motions, it becomes very clear that everything that was done in this five-year process is a consistent step-by-step process. The Ways and Means motion refers to a 7 per cent GST. It does not pick up a

theme that was mentioned in the earlier technical document of 9 per cent.

So in fact we believe that in this case it is a very frivolous point of order simply because the House had decided, the member had an opportunity, if he chose to, to get up and make his objections to the Ways and Means motion before the House decided on it, before he in fact and his party got up and expressed their opinion that Ways and Means motion. So we believe that it is frivolous.

Second, we do believe that should this question arise again it is very clear that the Ways and Means motion is the only part of the formal process that begins the financial process. It is not the documents that are referred to in that Ways and Means, whether they be technical documents, documents tabled in this House or documents not tabled in this House.

The bottom line is that we believe this is a frivolous point of order. We believe that the House should not be held up in any way while this issue is considered because we do believe that the raising of the point of order was totally out of place and is simply being used as a disruptive tactic to delay dealing with a very important piece of legislation which is central to this government's program for this particular Parliament.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I listened with interest to the comments of my hon. colleagues. I respect their views and simply want to say at the outset of my comments that in no way was this meant to be a frivolous point of order.

The arguments have been presented to you. I do not have much to add to what I raised yesterday but I would like to repeat two small sections.

First, I would like to reply to my hon. friend, the parliamentary secretary, regarding why I raised it when I did. When I read the notice of Ways and Means motion I read that a tax in this motion referred to as a goods and services tax would be imposed after 1990 under the Excise Tax Act at a rate of 7 per cent as set out in the documents entitled, and so on and so forth.

In other words, when I saw the words "as set out" I must admit I made the assumption that they were documents, papers that had been tabled in the House of Commons. That is the way we normally do business to my understanding, that is the way I have always done business. And it was not until I went to the Journals branch to receive a copy of the technical paper to familiarize myself with the contents that I was made aware that it had never been tabled, that this document on which the Ways and Means motion was based was not a document that had been tabled in this House and made available to members of this House, but was a technical document that a minister had issued some time in the past.

Without going over the arguments, I do hope that we are not entering an era where significant tax changes will be based primarily on documents issued by some one, some place, somewhere, and not here in the House of Commons.

I reiterate, however, that the question that I posed to you yesterday and asked for a ruling on, that is, whether or not the adoption of this Ways and Means motion had breached parliamentary tradition, I still think is a very valid question. And asking you to review whether we are not establishing a very dangerous precedent is still a very reasonable question to ask.

As well, I believe that whether this imposes a rather uncertain scope around the goods and services bill and the amendments the House will be empowered to consider is a question on which you ought to rule.

So while I respect the views of my hon. colleagues, I do think that we are trying to offer you views to enable you to make a decision so that this type of question never comes up again in the future. We will have some very clear guidelines spelled out as a result of your ruling when you make it. I do not think that the arguments put forward today detract in any way from the questions that I posed yesterday.

• (1530)

Mr. Speaker: I want to thank the hon. Minister of Finance for taking the time to give the Chair his views on this matter. I also want to thank the parliamentary secretary. Again I want to thank the hon. member for Kamloops for responding.

I must say to all hon. members, as I said yesterday, that of course the Chair takes this matter as a serious question. I shall return to the House with a response as soon as I am able. I thank hon. members.

The hon. member for Calgary West on another matter.

PRIVILEGE

TAKING OF VOTES

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise today on a question of privilege which arose from the objections I made yesterday when it appeared to me that one or more New Democratic Party members of the House had voted twice on a single formal division taking place in this House.

Mr. Speaker, I submit to you now, after having looked at the television, our electronic *Hansard* tape of those divisions, that two members did in fact vote twice, and that such actions constitute a prima facie case of privilege. If you so find, Mr. Speaker, I will be prepared to move the usual motion for referral of the matter to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

I cannot imagine anything that is more serious to the rights and privileges of members. It begins with the electoral process where it is against the law for citizens to attempt to vote twice in a single election. Certainly in this chamber it is against our traditions and against our privileges.

I think the grounds for this question of privilege are indisputable and pure. I cannot do my job as a member of this House. I cannot vote and be unimpeded in having my vote lead to a legitimate decision if any or several members vote twice on a single question.

The highly unusual nature of such actions probably makes them a contempt of Parliament rather than a breach of privilege, but that is for the House to determine at a later point.

The television tapes will show that in the recorded division on the motion of the member for Kamloops for first reading on his Magna Carta day bill, the member for Regina—Lumsden voted twice, first in the affirmative and then in the negative.

On page 7438 of *Hansard* you will find, Mr. Speaker, that this problematic behaviour was further compounded when the member stood in this chamber and clearly denied having voted twice. That was in this chamber where we take the word of a member on important issues. He clearly denied it.

The Lord gives us eyes to see and ears to hear. Mr. Speaker, if you review the tape you will find that the member's name was called in the affirmative and called in the negative. You will see, Mr. Speaker, that the member rose in his place in the affirmative and was recorded in the negative.

Later in the recorded division on the motion of the member for Kamloops for leave to introduce his National Housing Act amendment bill, the member for Windsor—St. Clair voted twice: first in the affirmative and then in the negative. His name was called in the affirmative. When you view the tape, Mr. Speaker, you will see him rising in the affirmative and again in the negative.

I cannot state more emphatically the unacceptable consequences for all members if such actions are not stopped. Every member's vote here would become devalued without their being able to do anything to stop the debasement.

The consequences to each and every member's right and duty to make a decision on questions are unthinkable and unacceptable. This is a profoundly basic matter of privilege.

I refer you, Sir, to Maingot's *Parliamentary Privilege in Canada* at page 199 where the privilege grounds of intentional misleading are discussed. He states: "It must be shown that the member was obstructed in his work relating to a proceeding in Parliament".

At page 205 in the section dealing with raising complaints against members in the House of Commons, he states: "A member of the House of Commons who, for example, has admitted to have deliberately misled the House would probably forthwith be the subject of a motion for contempt".

He also states that simple justice requires that no hon. member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

I have indicated to you already, Mr. Speaker, that I am herewith making the charge with the television tapes as evidence.

Further I point you, Sir, to page 194 under the heading "Member Gets Benefit of Doubt" where a 1978 precedent of ruling is cited to indicate that if the member making the claim to privilege or objecting to a possible contempt has an arguable point and the Speaker feels any doubt on the question, then he should leave it to the

House. I suggest, Mr. Speaker, that you might want to do that.

Finally, as I suggested earlier, the offence in question is probably a contempt rather than a breach of privilege since I do not think that voting twice is in our traditional codified limits or list of banned practices. Why would it be since it is so unthinkable?

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to have a chance to intervene in this point of privilege.

The accusation I do not understand at all. Early this morning, having heard the comments of the government Whip last night, I looked at *Hansard* and read it clearly. I noticed on both occasions to which he refers that when the actual vote was taken it is very clear who voted in support of the motion to declare a Magna Carta day and who voted against it.

Not only is it clear in *Hansard*, which of course is our official record, but the Speaker indicated some concern and the member for Regina—Lumsden got to his feet to clarify the situation. He stated: "I did not rise on the first vote." That was the vote in favour of the motion.

"I did not rise on the first vote," he repeats.

Third, he stated: "I did not vote the first time."

In other words on three different occasions, in case there was any element of a doubt, he rose and indicated that he did not vote in the affirmative.

I cannot imagine how much clearer one could get, both in terms of how the vote is recorded and on three occasions the comments of the hon. member.

Turning to the second point regarding the hon. member for Windsor—St. Clair, again, at the time the Speaker asked: "I would like to ask the hon. member for Windsor—St. Clair whether he is opposed or in favour of this bill." He asks that because there had been some heckling from the government side at the time in terms of whether he had voted in favour or not.

The hon. member for Windsor—St. Clair then rose in the House and said, again, to clarify very, very clearly: "I thought it was really quite clear", he said. "I stood fully erect against the vote."

Again, it was recorded in *Hansard* that he voted against the motion and stated clearly in the House that the hon. member voted against the motion.

Then the Acting Speaker of the day said: "That is all I wanted to know." It was clarified.

Normally, we do not have to stand up and clarify how we vote as a response to some heckling from the government members. But because of the seriousness of the vote, because it was looking at the pros and cons, presumably, of declaring June 15 Magna Carta day for Canada, recognizing that this was a day in our history when a very cruel king imposed taxes that were unfair, and so on, the people had risen against that particular initiative. Whether that was an appropriate thing to do or not, it encouraged the members to take their—

• (1540)

Mr. Speaker: I heard the hon. member with his usual learned appreciation of history yesterday. The issue here is not whether the king had risen; it is whether the members have risen. I would ask the hon. member to keep to the point.

Mr. Riis: Thank you, Mr. Speaker. I do take this matter very seriously. I suspect my hon. colleagues take it seriously as well.

I simply want to conclude by saying that yesterday we went to extraordinary lengths to ensure the voting practice of certain members both in terms of how *Hansard* records it, as it always does, but, more appropriate, the fact that the two hon. members in question actually stood in the House and on a number of occasions made it very clear how they had voted.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to make a few comments regarding the suggestion that some members of this House might have voted twice yesterday, which is against the rules and, in my opinion, shows a certain—

[*English*]

I guess the better word to use is the word "contempt" for the House, if they did in fact vote twice.

I have some difficulties with the argument put forward by my colleague on the government side. I must share with him some of my concerns.

Yesterday's events were the results of a procedure, the government having introduced a GST bill which we have fought, as you know, Mr. Speaker, continuously since it was suggested to the House some months ago. Liberals will continue to fight that bill, but we will do it within the rules. We will do it within the spirit of the rules. We will do it to try and get the government to withdraw that proposal, but we will always abide by the rules.

Normally the claim that a member voted twice—and that is the claim, I think, that is being made by my friend and colleague, the government Whip—would be dealt with, I suspect, as a matter of order rather than as a matter of privilege. No reasonable member, and I suspect that we are all reasonable members here, would try to accelerate this accusation into a claim of contempt unless—and I underline that—there was ample evidence that this behaviour was an intentional, calculated effort to impede the work of the House. If that can be proven, then there may be reasons for contempt.

But if any member choses to accuse another member of contempt on that basis in such circumstances, he or she must be able to support that accusation with facts.

Let us look at the *Hansard* of yesterday. I know it is going to be difficult because what I have to say is pretty touchy in the sense that I was here. I heard the Clerk call the name of the member for Regina—Lumsden. I saw the member for Regina—Lumsden attempt to rise and point his fingers, making a sign, I thought, that he intended to vote. It could be—and I am going to give him the benefit of the doubt—that he had a cramp in his hamstrings, that he had a sore back, or something, or that he made a mistake and sat down. He admitted himself: "I will admit I lifted my backside from the chair an inch", so I have to give him the benefit of the doubt on that one. It is my only way of looking at a gentleman's word.

In the other case, I was here again.

Mr. Speaker: Perhaps the hon. member is suggesting that sometimes hon. members rise with no consequence at all.

Mr. Gauthier: Sometimes they do that, Mr. Speaker.

Mr. Cooper: Don't take that personally.

Mr. Gauthier: I am not taking that personally, don't worry.

In the other case concerning the member for Windsor—St. Clair, I was here, Mr. Speaker. I saw and heard the Clerk call the name of Mr. McCurdy. Mr. McCurdy, when the member was challenged by the Chair, or asked by the Chair, he said this, as reported in yesterday's *Hansard* at page 7441:

> Mr. Speaker, I thought it was really quite clear that I stood fully erect against the vote. I thought that was pretty clear.

The only conclusion I can draw—and I am being very fair here—is that members of the NDP have difficulties standing up for anything.

Some hon. members: Hear, hear!

Mr. Gauthier: They do not know when they are standing or not standing.

Mr. Speaker: We ought to confine our argument to the physical act of standing, not to matters of great principle in a general sense. I know that the hon. member for Ottawa—Vanier would want to assist the Speaker.

Mr. Gauthier: That is what I am doing, Mr. Speaker.

Again, Sir, you were invited to look at the transcripts of the videos of yesterday's deliberations. If you do that, Mr. Speaker, you cannot draw any other conclusion but that indeed they tried to stand. One said: "I stood erect". In both cases they either have not got a backbone in their back and thus they cannot use it, or they have had some kind of difficulties asserting whether they were sitting or standing—and I am being fair; I am being very fair here.

Mr. Speaker: The hon. member is a professional man. I would think that I could almost take judicial notice of what the hon. member says about whether or not there is a backbone. However, I am still concerned about whether or not, backbone or not, the body belonging to the hon. member got up.

Mr. Gauthier: Mr. Speaker, I shall leave you to decide that. In your great judgment, knowledge and wisdom you will have to decide whether they did stand or not—and they possibly did. I will leave that to you.

The Chair will also have to decide whether the Clerk saw them stand, yes or no. We all saw the Clerk, heard the Clerk acknowledge the person. I am not going to question the Table's vision or how it interprets people standing or sitting.

In any case, to allege that there has been contempt is pushing things a bit too far, if in my view I want to pay very much attention to the hon. member's intention to either rise or sit. I cannot judge that and will leave it to the Speaker to come back and tell us that in his view the member was either standing or sitting. As I said before, NDP members always have difficulty standing up for anything, so I have difficulties deciding whether they were standing or not.

If you decide, Sir, that there is a *prima facie* case of privilege—and by the way contempt is privilege or privilege is contempt—then any motion accusing those two members of voting twice would have to bear some kind of proof that indeed they did it deliberately. That I am not qualified to judge, as I think I made clear in my remarks.

I am not sure whether they intended to obstruct. I am not sure whether they wanted to vote. All I know is that the facts, since that is what you are looking at, Mr. Speaker, are there. They are on tape. We all saw them. We were here. I am witness to something that happened.

I can tell you, Mr. Speaker, I will go with the decision one way or the other. I hope that you have a lot of patience, Sir, a lot of vision and a lot of judgment. It is going to be difficult.

Mr. Howard Crosby (Halifax West): Mr. Speaker, like my colleagues, I was a witness to the events in this Chamber on January 24, 1990. I think that this was a dark day for the House of Commons. I think all members will recognize that for various reasons.

The dark part of the day that I want to point out in support of my colleague and his representations to the Chair is recorded in *Hansard* and is beyond dispute. I registered this complaint, and it is recorded in *Hansard* as well.

I said then, and I will repeat it today: there is no more serious function of a member of this House of Commons than registering a vote. I say that because when they register a vote in this House of Commons they do so on behalf of their constituency, and together we vote on behalf of Canada. To jeopardize the purity of voting in this House of Commons is one of the most serious contempts of Parliament that can take place.

You only have to look, Mr. Speaker, at page 7436 of *Hansard* to see the contempt printed on the permanent record of this House. What is printed there is the fact that on a division, on a voice vote, the Speaker heard and registered yeas and nays. Then, at least five members of this House of Commons stood up and asked for a recorded vote.

• (1550)

I am looking at the proceedings with respect to a bill concerning Magna Carta day. When the recorded division was called, notwithstanding the yeas and nays on the vote, notwithstanding that five members of the House of Commons stood up and asked for a recorded vote, there were no nay votes registered. There was no negative vote. Nobody in the House of Commons was against that measure.

There was something going on in this chamber. I will not say what it was. I will tell you if you ask me what I think was going on. What I think was going on was obstruction of the business of this House. In my view that is what was going on. I suspect, Mr. Speaker, but it is up to you to find out, that there was unjustifiable obstruction of the business of this House contrary to the rules of this House.

The rules of this House are based on honour. Voting is based on honour. That honour was breached because members of this House stood up, asked for a recorded division, and then did not vote against the measure.

Somebody in this House is deceiving the House. Mr. Speaker, you have to find out who that person is.

Mr. Speaker: I thank the hon. member.

The hon. member for Windsor—St. Clair on the same point.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I am tempted to say that we have had garbage in and garbage out—garbage in from the government side and garbage out from the Liberal side.

I find the discussion that is occurring now really quite outrageous. We have people who in a less self-righteous incarnation stormed the Chair now talking about propriety in the House. We will leave that alone.

What we have at issue is the accusation that this member and another member are in contempt for having voted twice. We have launched into a discussion of

whether one is standing or sitting. If there is any contempt in this House, it is contempt for the truth.

I am sure that my colleague for Regina—Lumsden will defend himself. But I am here to tell you, Mr. Speaker, that any video tape or any other evidence will show that in the midst of a great deal of heckling and a vote going on I was engaged in a conversation with my colleague right here. In respect to which and in order to pursue it I moved myself in her direction. I may indeed have raised myself an inch or two from my chair. That did not, in my mind, constitute a vote.

Some hon. members: Oh, oh!

Mr. McCurdy: I would suggest, Mr. Speaker, if the member is doubtful about what erect is, what standing is, then that member should review all the tapes and look at the way in which this member has consistently voted ever since he has been here. It is to stand erect and to bow his head at every occasion. That did not happen yesterday.

We have had the Liberal proponent of the Conservative point of view suggesting that my name was called by the Clerk. The Clerk generally assumes that every one in a row is going to vote either in the affirmative or the negative, whether that member stands or not. Very often, as you know, Mr. Speaker, names are called before people have even contemplated standing up, or long afterward, so it is patently ridiculous to use that as a criterion.

I am here to tell you, Mr. Speaker, and this House that it was perfectly clear that I did not stand, did not intend to stand. I think it can be no more than an excruciatingly childish malevolence that would have any member in this House accuse me of acting in an improper way. I have not done so. I am not doing so. I will not do so. I resent the accusation.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, the first point I want to make is that the point made by the hon. member from Halifax is well taken. *Hansard* shows no recording of anyone saying: "Nay". Yet there were some hon. members who voted nay. So what?

Second, I believe the government Whip made a point about how members voted on a voice vote of yeas and nays. I defy that hon. gentleman—and I know that the Chair would not even attempt, nor would the Clerk—to pick out every hon. member present in the House who said "yea" and every member who said "nay".

The Speaker goes by the number of decibels or the amount of volume from the "nays" and from the "yeas". I have often thought that I would like to get a left-eared hearing aid for the Speaker. I thought that the "nays" had it, but he said they did not. That is beside the point.

If the member were recorded as having voted twice on the recorded vote, then one would obviously be in contempt, although no Clerk of any competence—and our Clerks possess the highest possible competence—is going to put a member's name down each way on a vote. They are just not going to do it. They will draw the matter to the attention of the Chair. The Chair will ask the hon. member for clarification, which he did in the case of my colleague from Windsor—St. Clair, and which he did in my case. I replied, as quoted by the Liberal Whip who quoted *Hansard* accurately, making it plain that I was voting "nay". That was the end of that.

The government Whip now tries to make a federal case out of it. Frankly, Mr. Speaker, if you ruled I voted "yea" and not "nay" I could not care less. Everybody here knows that we were working within the rules of Parliament, within the rules of this House, to do what we could to prevent the government from calling the bill on the goods and services tax. That is perfectly in order within the rules. Should we choose to divide in one party two ways on a bill from a member of that one party, surely that is up to us and to the individual members. I am certain that it would be of no concern to the Chair.

I stated that I thought I gave what certainly was a satisfactory explanation to the Acting Speaker who was in the chair yesterday as to clarifying where my vote was to be cast. He so ordered and the results were announced by the Clerk. I assumed that that was the end of that.

I agree with my colleague who said that he did not see anything here about a question of privilege. It may be on a point of order. Points of order were raised yesterday and were answered to the satisfaction of the Chair. I am assuming that that would have been and should have been the end of that.

Mr. Speaker, I will leave it to your good judgment. Whichever way you say that I voted and whichever way you say that the hon. member for Windsor—St. Clair

voted, we will abide by what you say. I hope that will put an end to that.

Also, I want to express my gratitude to the government Whip for helping take up government time.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to make a brief contribution to the discussion because I think the principle that has been raised by the government Whip is an important one. Certainly it is not the practice of this House that members vote twice. Indeed, I would like to refer your Honour to citation 223(3) of Beauchesne's Fifth Edition, page 76, which states:

> If a Member who has heard the question put should inadvertently vote contrary to his intention, he may not be allowed to correct the mistake; but his vote must remain as first recorded.

• (1600)

If you look at the Clerk's record for yesterday's votes on the three votes that are in dispute today, Mr. Speaker, I think you will see that the Clerk's record indicates that both the hon. members who have just spoken voted yea on the first occasion and then the mark was removed after the members explained that they were voting nay and that they had only voted once.

I suggest the citation that I have referred to in Beauchesne's indicates that the vote having once been cast by the member rising in his seat, and his name being called and no correction being offered at the time indicates that that vote cannot subsequently be changed, even if the member seeks to vote a second time.

In support of that the learned author of Beauchesne's refers to a debate of July 1. In fact it was in the early morning hours of July 2, 1926, and it was a most famous occasion in this House. The vote was won 96 to 95 votes. As a result of that division on that day, my hon. friends opposite will recall the Meighen government came crashing down. The House was dissolved the next day and it went out in an election—a good thing for Canada!

What happened was that one of the members of the House, Mr. Bird, voted inadvertently. He was paired and he was not supposed to have voted. He rose after the vote and made this statement as recorded at page 5311 of *Hansard* for July 1, 1926. He said:

> I wish to explain to the House, and with extreme regret, that I was paired with the hon. member for Peace River (Mr. Kennedy) who had retired from the House on account of indisposition, and I cast my vote inadvertently.

He at least voted inadvertently. He did not vote twice. The Speaker went on and stated:

> —The rule is that when a vote has been recorded, when the result has been proclaimed, and when the motion has been declared carried or lost, that expresses the judgment of the House. This principle is to be found in May, who says at page 343 that a vote once given cannot be withdrawn.
>
> With regard to the claim made by the hon. member for Nelson that he was paired, May, at page 336, says:
>
> There cannot be any parliamentary recognition of this practice (pairing) although it has never been expressly condemned and it is therefore conducted privately by individual members or arranged by gentlemen known as the whips, who are entrusted by their political parties with the office of collecting their respective forces on a division. Therefore, the hon. gentleman having voted in the House, the vote must stand as it was proclaimed by the Clerk.

There was a considerable argument following, a brief but considerable argument, because clearly this vote had very profound implications. Yet, on that occasion, the rule was stated. It is restated in Beauchesne's. It has clearly been the rule in this Parliament for as long as anyone here has been around, and I suggest that once those votes were recorded for the yeas yesterday, the hon. members ought not to have been permitted to vote or to change their vote or to indicate that their vote was any other way. Having been recorded once they were stuck with it. If they chose to move in their seats when a vote was being taken I suggest that is their funeral.

The hon. member says he was going to speak to his neighbour. The rules provide that during the taking of a vote no member shall make any noise or cause any disturbance. The words are very clear in the Standing Orders. If the hon. member wants to rise in his seat, if he wants to move about the House during the taking of a vote, I say it is contrary to the rules, and if his or her vote gets recorded in a way he or she does not want I suggest that is the hon. member's own tough luck.

I say that to have allowed the change yesterday in those votes was improper. To have allowed the second votes I say was improper, and my submission is, Mr. Speaker, that the member's vote must stand as recorded. The precedent in 1926 has to be one of the strongest

possible precedents because it brought down a government. It was a vote of confidence in a government, a three-day old government. That precedent stands and has represented the law of Parliament throughout the period since, and probably for a good long time before. I invite your Honour to so rule.

Mr. Speaker: The hon. member for Winnipeg Transcona on the same point.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as much as I would love to get on to Bill C-25, I have listened with care to the arguments that have been presented. I was not here yesterday when these events took place. I have looked at *Hansard*, I have listened to the arguments, and I must say that this whole exchange drives me to abject despair about the House of Commons and where it might be headed. I say this with respect to the fact that *Hansard* shows how people voted and how they did not vote. Obviously this was sorted out at the time.

What the government Whip appears to be doing is suggesting that hon. members from Regina—Lumsden and Windsor—Lake St. Clair in some way or another attempted to deliberately sabotage the voting process or mislead the House with respect to how they voted. I think it is clear on the face of it that that is not what they were about. It was clear on the face of it yesterday or *Hansard* would not record what it records.

The response of the government members is to the tactic of forcing a vote on a matter on which there is no dispute in order to delay, a tactic they do not like but it certainly is a tactic that they would have had no qualms about employing themselves if they felt strongly enough about things.

Mr. Speaker: I hesitate to interrupt the hon. member but this House has had many years of experience of tactics to delay. Hon. members on one side or the other may not like those tactics, but provided they are within the rules I have no power, authority or inclination to limit them. What the Chair is faced with here is a question of whether members rose both for the yea and the nay vote. It is that simple. I will have to draw what conclusions I must draw as a consequence.

I do not want the argument to get off into the question of whether or not delaying tactics in the House of Commons are right or wrong. They are used and as long as they are used within the rules, as I have said many times, they are accepted. We understand that. It is part of the tactics of this place.

The statements on the part of the hon. member for Calgary West, and we have just heard from the hon. member for Halifax West, are very clear. The allegation is that the members rose for both votes. That is what I have to decide. If that is physically so then I have to decide, I suppose, what inference I draw from that.

Mr. Blaikie: Mr. Speaker, I will try to be brief and to the point. I think what we have here is not a point of privilege at all but a form of character assassination that I think is unworthy of some of the people that I know on the other side of the House. Frankly, I am quite disappointed by that.

• (1610)

Mr. Speaker: The Hon. Member for Cambridge on the same point.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I will indeed be brief. I was here yesterday. After the vote took place, what I heard was the Clerk of the House rise and state quite clearly that the results of the vote were 24 to one. I reviewed the tape this morning and if my memory serves me correctly, the videotape also recorded a 24 to one vote.

My question is that in *Hansard* on Division No. 173, the vote is recorded as 23 to one. As the Speaker reviews the comments over the last half hour, could you take into consideration that once the member from Regina—Lumsden had indeed clarified his vote, the vote count changed in *Hansard*?

Mr. Speaker: The Hon. Member for Windsor—Lake St. Clair on a further intervention.

Mr. McCurdy: Mr. Speaker, I think that my colleague from Winnipeg—Strathcona has well characterized what is at issue here. I would also like to refer to other participants in this argument about how many angles there are on the head of a pin.

First, the Liberal member has indicated that if there was an inadvertence in voting, in this instance yea when the intent was to vote nay, then the effect of that is to cancel the intended vote and let the first vote stand. That seems to suggest to me that there is an assumption that inadvertence is at least possible. Inadvertence, not

only on the part of a member but inadvertence or an error on the part of the Clerk.

I want to re-emphasize the pattern of voting in this place. It is generally assumed that members of a particular party are all going to vote the same way. Once the process is in train, I would suggest, Mr. Speaker, on the part of your own observation, that it is very likely that no matter what a member might have done, the probability is high that his or her vote would have been recorded consistent with that of the pattern of voting of his or her party and not reflect any dissent that might have been there.

It is perfectly clear on the evidence that there was no standing upright on the part of this member on the yea vote, that there was indeed a clear standing, erect and upright with a bowing of the head in the affirmative with respect to the nay vote. It was subsequently questioned by the then Acting Speaker what the intention was.

Now, for anyone in this House to suggest that he or she saw or heard whatever the person may claim to have seen or heard which was inconsistent with what actually happened is absolute garbage. It is even worse for someone who was not here to have launched into a tremendous analysis on the basis of no evidence, on the basis of deductive reasoning. What is involved here is inductive reasoning. What is seen should lead to the conclusion not what is thought leading to the conclusion.

I think what we have here is an example of the Government Whip shooting himself in the foot because what his concern is really all about is that the New Democratic Party in this House yesterday used every tactic conceivable within the bounds of the rules in order to impede the introduction and the debate on a piece of legislation which gives offence to 80 per cent of the population of this country.

Mr. Speaker: That may or may not be the case. But that is not the argument that has been brought to me this afternoon. I, of course, will hear the hon. member's conclusion of his remarks.

Mr. McCurdy: Let me just finish, Mr. Speaker. There is no recorded vote in *Hansard* that indicates that I voted any other way than what I acted to vote or what I have claimed to vote. I think it is just patently ridiculous. It is malevolent, childishly malevolent, to have introduced this discussion at this time. I think the appropriate ruling is to look at—

Mr. Speaker: Just a moment. Hon. members have risen and said that from what they saw and what they saw on tapes other hon. members voted twice. They have put that matter to me and the question of whether it is a breach of privilege or contempt or both. That is the issue I have to decide. I do not want to have the argument move away from that particular issue. I do not think that the argument is advanced on one side or the other with any vituperation with respect to the motivation of any particular member in the chamber.

Unless we have further interventions, I am going to look very carefully at what has been said. I have to tell the House that I cannot ignore this point that has been raised and I must deal with it. I will return to the House as soon as I can. I can only say that I regret that this issue has arisen, but it has and I will have to deal with it as adequately as I am able and in the interests of the House. I will return as soon as I can. I thank hon. members for their interventions.

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: one, the hon. member for Winnipeg—St. James—Agriculture; two, the member for Saint-Laurent—Solicitor General; three, the hon. member for Fundy—Royal—Acid Rain.

GOVERNMENT ORDERS

[*English*]

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Clark (Yellowhead) that Bill C-25, an Act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act be read a second time and referred to a legislative committee.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I was beginning to believe that I would never get to speak to this bill today. I am glad that the opportunity has finally arisen. I find it unfortunate that it did not come

earlier, not just because it was a personal inconvenience, but because of the nature of the controversy that prevented us from getting to this matter earlier.

Bill C-25 before us is an Act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act. The purpose of the bill, as I understand it, is to ratify two protocols to the 1949 Geneva Convention which were agreed to in 1977. This tells us something about how slowly the mills of the gods grind with respect to international law, the fact that in January 1990 we are only now proceeding to ratify a protocol that was agreed to in Geneva in 1977.

The Geneva Convention that we are talking about here refers to the law applicable in time of armed conflict, humanitarian law or rules of conduct in war. The protocols serve to broaden the scope of the conventions. For instance, they include additional protections for prisoners of war and rules regarding children in armed conflict. The Geneva Conventions Act is amended so that its language is consistent with that of the protocols. The National Defence Act is amended so that there are no statutory limitations on the prosecution of grave breaches, again consistent with the protocols, and the amendment to the Trade-marks Act introduces legal protection for the new international distinctive sign for civil defence.

On the face of it, from the point of view of the New Democratic Party, there seems to be nothing particularly objectionable about this legislation. It merely ratifies what was agreed to in 1977. If there is anything objectionable, and perhaps there are some reasons for this but I cannot imagine that there is a good reason, it would be why something should take 13 years to be ratified. There are other countries, of course, which have already ratified the protocols.

• (1620)

I understand that the sole controversial feature of the protocols is that it extends the rules of the Conventions beyond international conflicts to cover civil wars or national liberation movements and the governments which they oppose. If my information is correct, I understand that this is giving our American friends some problems as they are leery about giving POWs of national liberation movements a recognized status. I am glad to see that the government, in bringing this bill before Parliament, is not itself participating in that cautiousness and is willing to proceed with the ratification of the protocol.

This particular bill also gives us an opportunity to talk about international law in general and the over all approach of this government to existing international law as well as to the need for international laws which do not now exist or which could possibly come into existence very quickly if the government were more active in this respect. When I speak of laws that could possibly come into existence, I am thinking of the fact, for instance, that we have not as a country ratified the Law of the Sea.

Here we are in the middle of an ecological crisis of major proportion on the Atlantic coast with respect of the fishery in which almost everyone agrees that one of the causes of that ecological crisis has been overfishing and the role of foreign fishermen and foreign trawlers in our waters. This situation would seem to me to point to the need for stronger international agreements with respect to the oceans and with respect to the seas and yet we have not had any attempt made by this government to ratify the Law of the Sea Convention. Why, Mr. Speaker? The only reason I have heard is that there is reluctance in Washington to ratify the Law of the Sea Convention because there are things in the Law of the Sea Convention with respect to the sharing of mineral rights on the ocean floor that offend the entrepreneurial sensibilities of the American administration.

Therefore, here we are, in many respects, victims of our own reluctance on the east coast to bring into force, because in order for these things to come into force there is a requirement that so many nations ratify the Convention. That requirement has not been met and Canada has not done its part to help that convention meet that requirement by ratifying the Law of the Sea Convention.

Canada, with respect to existing international law, does not exactly have a perfect record either. We could talk about the fact that the government of El Salvador, headed by the Arena Party, recently prevented the evacuation of FMLN soldiers needing medical aid, in contravention of the protocols. There was no Canadian protest with respect to that or, for that matter, with respect to other violations of human rights by the Arena government which, as we all know, derives its political sustenance from the fact that it is supported by the United States and through its relationship with the

military in El Salvador which is supported by the United States to the tune of $1.3 million a day.

There we have an instance where existing international law has something to say about something which is actually happening. It is very fine for the government to be acting finally with respect to international law as it affects something which is not happening in many respects, that is to say with regard to some future war although wars are going on in the world, but where we have an opportunity to comment on the enforcement or the appropriateness of existing international law, we have passed up those opportunities.

We have passed them up with respect to El Salvador, which I have just mentioned. We passed up the opportunity to show our respect for international law when the United States invaded Panama in contravention of a considerable body of international law. Yet the Prime Minister and the Secretary of State for External Affairs said that although they regretted the use of violence, they were not willing to condemn that particular violation of international law.

We show contempt for international law in our continuing silence about what is being done to the formerly separate country of East Timor and its people by Indonesia, because we regard our commercial relationships with Indonesia as more important than the fate of the people of East Timor.

I was very disturbed to learn just the other day that Australia has entered into a contract or an agreement with the Indonesian government with respect to a body of water that formerly seemed to be part of East Timor, and therefore our Australian colleagues are giving credibility to the Indonesian claim, a claim which stands over against the obvious case of East Timor with respect to the UN Charter and the whole matter of the right to self determination.

It seems to me that the government's record with respect to international labour law is also suspect. It has come to our attention in recent weeks, as a result of events in Romania, that the CANDU reactor which was being built in Romania was being built by what can only be described as slave labour.

Now, Mr. Speaker, does the government really intend to have us believe that the people in AECL and the people in the appropriate government departments did not know that this was going on? Or was it, in fact, a willingness on the part of the government to turn a blind eye to the violation of international labour law in the interests of promoting the agenda of the nuclear industry in this country? It certainly seems to me that the latter interpretation is the one that has the most probability of being true.

Violations of human rights in the context of wars continue. Yet what does Canada do to prevent these kinds of conflicts from occurring around the world, which conflicts these protocols to the convention rightly address? It seems to me the main thing that Canada could be doing would be acting to prevent these conflicts in the first place. Instead, Canada, to our shame, has a record of contributing to these conflicts by being a country which sells arms to many of the countries involved in the very kind of conflicts that these protocols now try to address.

I have here before me the most recent edition of *Ploughshares Monitor* for December, 1989. It has a handy list, if you like, of all the countries in which there are now armed conflicts proceeding in which there is documented direct Canadian arms sales and documented indirect Canadian arms sales. I am relieved to see that there are some conflicts going on in the world where are no documented direct Canadian arms sales or, for that matter, indirect Canadian arms sales. Let me mention the ones in which there are documented direct arms sales. In Columbia there is a record of documented indirect Canadian arms sales. There is documentation of direct Canadian arms sales in Peru, in Israel, in Northern Ireland and Turkey. There is documentation of indirect arms sales in Western Sahara, Sudan, Chad, Uganda and Angola.

• (1630)

There is a record of indirect Canadian arms sales in the Iraq—Iranian conflict. In India where there is conflict between the government and separatist ethnic and religious rebels, there is direct Canadian arms sales; in Samolia, indirect Canadian arms sales; in Mozambique, direct Canadian arms sales; in Sri Lanka, direct Canadian arms sales; in Indonesia, direct Canadian arms sales; in Malaysia, direct Canadian arms sales; in the Philippines, indirect Canadian arms sales.

Finally, in the conflict between the Chinese and Vietnamese governments since 1979, there is record of direct Canadian arms sales. This is evidence compiled by Project Ploughshares for the most current, comprehensive sources.

It is one thing to pass protocol. We will be co-operative in passing these protocols. It is another thing to work in the international community around the world for those things which will actually prevent the situation to which these protocols address themselves.

Unfortunately, as far we are concerned, the Canadian government's record in that respect is not one that Canadians should be as proud of as they sometimes are. There is no question that the average Canadian feels good about Canada's role in the world, and so they should, in many respects. They need to be reminded, not just from time to time, but consistently that our hands are indeed dirty with respect to a lot of these armed conflicts that are happening around the world.

It is about time we did our part to move the world toward a new concept of security that is not based on military arms, the kind of security which is sought by all the people to whom we now sell arms, but the kind of security that could come from a real attempt to build a just and sustainable international economic order. It is a concept of security in which environmental damage would come to an end, in which children would not be dying at the rate of one every two seconds, and which deals with many of the things the non-governmental organizations concerned with international development are concerned about.

They were here today to protest the possibility of further cuts in Canada's overseas development assistance. That is where matters of real security come in. Yet this government appears to be on the brink of pulling back even further from its responsibilities in that regard.

I believe there is a need for new strength and new concepts in international law to deal with human rights violations within countries and to deal with environmental violations. We need to find a way for the United Nations to escape from its captivity to the notion of national sovereignty so that nations which are abusing, torturing, murdering or committing genocide against elements of their population can no longer hide behind the notion of national sovereignty. We need to find a way, as a world, to transcend that notion, because we have become that global village in which everyone's business is everyone else's business, whether we like it or not. It would be a simple world if that were not the case, and an easier world in many respects, but it is not that kind of world. What happens anywhere in the globe is indeed the business of everyone else on planet earth and it is about time we had international institutions which were trying to reflect that reality.

That is true with respect to human rights violations. It is also true with respect to the environment because, as we found out, it is not just in the context of human rights violations that we need to transcend notions of national sovereignty. It is in the reality of nature and transboundary pollution that we find the real limits to national sovereignty. Pollution does not know borders. It is a bit like money in that respect. Pollution can transcend national sovereignty in a way which is often very damaging, as we know only too well here in Canada as a result of transboundary air pollution coming from the United States in the form of acid rain.

We are becoming even more aware of it as a result of evidence that our oceans, particularly our east coast, it appears has been used as a toxic dumping ground by various and sundry ships, either by way of disposing of their own waste or perhaps even waste they deliberately intended to dump in Canadian waters.

We are not in a position to do anything about that nationally or internationally. We have not signed the Law of the Sea, and we are not pressing for tough environmental action. Nationally, we have a couple of tracker planes still operating out of Prince Edward Island. The government is not willing to guarantee their future.

The other night I saw on television that apparently we have a plane which keeps an eye on the Great Lakes for toxic dumping and recently it made a flight over Newfoundland. But this is something it can do only every once in a blue moon.

Are we about to become the garbage dump of the world or are we going to do something about this? We need to act in at least two different ways. We need stronger international laws with respect to the environment, and we need the self respect to have the capacity to monitor at the basic level at least what is going on in our own territory, particularly in our own waters. Yet

that is something that the government has chosen not to do.

I am always saddened by the language of security and its obvious inadequacy. How many times recently have we witnessed on the national news stories about beaches being destroyed by oil spills. We wonder how we are going to clean up the beaches and save the sea birds, the fishery, maintain the scenery for the tourist potential and all those things.

In the meantime, while the very foundations of life in the sea are being threatened, navies all over the world with their submarines with sea-launch cruise missiles, destroyers, cruisers and aircraft carriers cannot do anything against what is really now threatening the planet, now threatening the human prospect, and against what is really threatening creation.

How pathetic is the human consciousness when we consider all the money and effort which is put into preparing to kill each other in such a variety of phantasmagoric ways. Yet nature itself is poised to render us extinct because we do not have the common sense to act together to defend ourselves from this common threat to human security, the environmental threat.

• (1640)

That is why we need to show more respect than this government has for the whole notion of international law for those laws which exist now, for those laws which are waiting to be ratified and for those laws which have not even been written. Only through developing that kind of global consciousness will we be able to save ourselves, if we can save ourselves. What does Canada do?

There is a convention of the International Labour Organization with respect to asbestos and the occupational health and environmental human health consequences of the use of asbestos. What does the Canadian government become noted for in international circles? Ignoring that convention. Ignoring that conclusion of the ILO.

Canadians like to pride themselves as being a bit ahead of the Americans on some of these issues. We are even at odds with the United States of America. When it comes to asbestos we have been absolutely shameful. We have been participating in campaigns of disinformation with respect to the records on asbestos and encouraging countries to ignore the ILO Convention, encouraging countries to ignore the record with respect to asbestos in countries like Thailand, for example.

What does this do for our international reputation? What does this do for our ability in the councils of the world to argue for stronger international law? Is it just so we can selectively disobey it when it suits our purposes? I hope that is not the case and yet in so many ways that appears to be the case. Time and time again we have appeared to be willing to turn a blind eye to what is going on with respect to the environment or with respect to the record of certain governments in order to pursue the economic self interest of our country.

One is reminded of the fact that not far from here at this very time there are a number of people in the city from Iran who are on a hunger strike to call attention to the massive human rights violations which continue in Iran despite the death of Ayatollah Khomeini and the coming to power of the new Prime Minister, Rafsanjani. These people are doing their best to call attention to the fact that from the way that regime treats its own people it clearly deserves to be isolated by the international community and clearly deserves to have some action taken against it, such as a boycott of arms sales or a boycott of oil imports. Yet what did the Canadian government do? It resumed diplomatic relations with the Iranian government on the basis that it wanted to encourage the moderates. These people are the moderates. This is like the moderates that the government talks about who are in charge of El Salvador.

I have taken the opportunity in the context of this bill to say not only that we support the coming into force of these protocols and Canada's contribution to that by ratifying them as we are in the process of doing here today, but also to say that we would support the government if it moved to be much more creative and much more courageous in attempts to prevent the kinds of situations which these protocols address in attempts to create a world in which our concept of security is much broader and deeper and takes into account the environmental and social dimension.

We would support the government if it moved to incorporate those insights into its entire foreign policy which it clearly did not do when the hon. member across the way was the Minister of Defence. It brought in a white paper which, even at that time, was colder than the cold war and which now has fallen into complete and

utter disrepute. We cannot find anybody in the country who would be willing to say a good word about it.

There is an opportunity as well as a necessity for the government to rethink its foreign policy and to begin to ask serious questions about how Canada can live up to its new responsibilities in this new situation. How can Canada live up to the responsibilities that it has in its unique geopolitical context, being situated between the superpowers.

How can we move in the Canadian Arctic to establish principles of common security and confidence building and various other arrangements which would assure the superpowers that the Canadian Arctic was not being used in a way that threatened either of them. We have an opportunity to break new ground as to how the superpowers will relate to each other.

Obviously both superpowers, in differing ways, are coming to the end of their tether. They are coming to the end of their hegemony over their respective spheres. It is coming more quickly in the Soviet Union. The United States still likes to think that Central America belongs to it as the Panamanian invasion shows so clearly. Whether it likes it or not, even it is coming to the end of the day when the world is divided into these two camps.

We are going to be living in a multi-polar world, for better or for worse. It is in that multi-polar world that Canada will have an opportunity to practice what it is best at. That is the kind of peacekeeping, constructive, mediatory role that Canadians have fashioned for themselves over the years and which will become even more important in this multi-polar world. There is an opportunity here for the government to do some creative thinking. I am glad to have had the opportunity, in the context of the this bill, to encourage it to do that.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I am going to follow to some extent upon the dissertation of the member for Winnipeg—Transcona on the responsibilities of Canada in the kind of situation in which we are finding ourselves. We in the New Democratic Party have no difficulty in supporting this particular bill and we intend to do so. It is an act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act.

The bill itself is the incorporation of the two protocols that were signed in 1977, Schedules 5 and 6, into the present bill, the Geneva Conventions Act. These are the portions of this bill which we accept. We have signed these protocols as a country and we depend upon our experts to make sure that we have not put ourselves in a difficult position. Therefore, we welcome the bill and we will support it.

• (1650)

There is a rub in this kind of bill, as far as Canada is concerned in the world, in what has been historically a very aggressive approach to the world, with the requirement of forced views to dominate and to control.

This type of bill is setting the rules for war, and by doing so we are having the tendency to legitimize war as a method of solving problems between countries or within countries. One of the measures in the bill extends the Geneva Convention to human rights and the protection of prisoners, and children in countries where there has been insurrection, where there is a kind of war which some people will call war for freedom and others would call a revolution.

The very fact that we need such a convention is a statement to some extent of the continuing barbarism of humankind. War has often been described as the legalizing of devastation of humanity, the legalizing of killing. Those conventions are part of the rules under which war is supposedly to be conducted. I suppose it is better than having no rules, no convention, but it is a bit hypocritical on our part as Canadians, and I guess on the part of other nations of the world which proclaim that they want peace and work for peace and still find it necessary to put in place rules which make war less barbaric than it would be without those rules.

It is hypocritical too in the sense that it has a tendency to promote war, in the sense that if you conduct war within these rules you are not going to be condemned quite as much as in other circumstances.

As my colleague for Winnipeg—Transcona indicated, we have in Canada, and I guess in the world, a very difficult kind of definition of security. Preparations taken and made by countries in the name of security often have

the opposite results. If you think of security as being security of the individual, the country, production ability of the country, the movement of goods and so on, to continue in a normal way, then the preparation for what we at times call security often has the opposite results with the fact that we have situations where the security forces dominate. In the cases of Romania and Panama in the last little while, the security has had the opposite effect.

Rather than securing people, jobs, the economy, it had the effect of limiting growth and freedom.

This kind of security produces refugees, it deprives people of the basics in education, of health care, housing, and employment. People find themselves living in fear, even in fear of their own government. Many die unnecessarily. Far from being a convention that will that ensure security forces do not impinge upon freedom of the individual, the security forces are assisted in doing so.

In Canada there are things that we could do to assist the world in becoming secure for the individual. There are things that we could do to make war less possible and, in the eyes of some, unnecessary. That is the direction that the foreign policy of Canada, the foreign policy of the nations of the world who considered themselves peace–loving should be moving.

We cannot expect Canada to fully address the situation but the government can do everything possible to help build an international order in which all can live in peace, freedom and with economic justice. We have within our House of Commons a group of parliamentarians who call themselves the Parliamentarians for World Order who have as their aim an internationalist approach which would allow the world to proceed from now on with a minimum or, hopefully, without any wars.

In proposing this kind of action for the government, or asking that the government spend more time on pursuing this kind of a goal, there are many areas which we could define specifically. I will mention a couple. The first one is the Third World situation. Over two million people died in wars in the Third World in 1945. Every hour the world spends $130 million on armaments while 2,000 children die of starvation and disease. The transfer of arms to Third World countries has risen from $5 billion per year in the 1970s to $35 billion in the late 1980s.

Many arms transfers are sales on credit which then add to the already great debts which these governments are forced to pay. These weapons do not have the effect of calming the situation in those Third World countries. Instead, they have the effect of adding to the tension in those countries and making it less possible for there to be positive development since the money is being spent on arms and not on development.

Canada's record with development aid, peacekeeping works and so on is good but it is not having the kind of impact in the Third World countries which it should. Yet the government is withdrawing from that kind of support and that kind of aid in those countries. That is only one, and in the further opportunities that I will have, I would like to present more of these kinds of situations.

Mr. Deputy Speaker: I gather the hon. member had not finished his speech. The reason that he sat down was because it was five o'clock. Right?

Mr. Hovdebo: Yes, Mr. Speaker.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Okanagan–Shuswap (Mr. MacWilliam) has given me written notice that he will be unable to move his motion during Private Members' Hour on Friday, January 26, 1990.

Since it was impossible to arrange, in accrodance with Standing Order 94, for an exchange of positions in the order of precedence, I hereby order the clerk to drop this order to the bottom of the order of precedence.

The hour provided for the consideration of Private Members' Business is therefore suspended, and pursuant to Standing Order 94, the House shall revert to the business before it prior to Private Members' Hour.

PRIVATE MEMBERS' BUSINESS—MOTIONS FOR PAPERS

[*English*]

EXTERNAL AFFAIRS

SECURITY

Mr. David Kilgour (Edmonton Southeast) moved:

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of the government's files on the nature of the relationship between Herbert Norman and any of the state security organizations of the Soviet Union or any other Warsaw Pact member.

He said: Mr. Speaker, my motion, Sir, is with respect to certain papers involving the late Herbert Norman which was to be debated during the next hour. There have been discussions, Mr. Speaker, of which the other parties have been made aware, and I am extremely pleased that the Secretary of State for External Affairs has appointed the academic and former diplomat Peyton Lyon and contracted with him to look into this matter and to attempt to put to rest any lingering doubts about the late Mr. Norman, and I very much hope he succeeds.

The only concern I have, Sir, is that Mr. Lyon must be permitted to have access to the RCMP, now CSIS, documents in making his inquiry which is to be completed by March 15. I hope the parliamentary secretary will rise in a moment on this point of order, and I am hoping that there is unanimous consent that, subject to the remarks that he makes, the motion might be withdrawn.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, following on the suggestion by the hon. member for Edmonton Southeast that the motion now before the House be withdrawn, I would like to simply assist members of the House with some information confirming what the hon. member has stated, and that is with respect to the action which the Secretary of State for External Affairs has initiated in response to the questions which the hon. member previously raised in the House relating to the seemingly never settled question about Herbert Norman, a one-time foreign service officer of this country.

I would confirm to members of the House and particularly the member for Edmonton Southeast that, under the direction of the Secretary of State for External Affairs, Mr. Peyton Lyon has been retained by the department on a three-month contract to review all the files which the Government of Canada has relative to this matter in order that the situation can be put to rest and finalized.

The terms of reference established for Professor Lyon are such that they directly address the questions of last May 5 posed by the hon. member in that, for example, he is to examine the nature of Mr. Norman's relations with spies, the significance of testimony of E. Bentley and the nature of Norman's relations with security organizations of the Soviet Union and other states.

Professor Lyon has a three-month assignment to do this work. He has completed one month of the task so far, having already looked at the files at External Affairs and the National Archives and will complete that process by looking at all other files which the Government of Canada has, which would include CSIS files. This will enable a report to be made by March 15, so I would believe that by the end of March, a report can be laid before members of this House, in Parliament, on this matter.

For that reason, I think it is appropriate that the hon. member has suggested that we not debate the matter further at this time, but consent to his request that his motion be withdrawn so that toward the end of March, we can hear fully the results of this methodical review that is being carried out by Professor Peyton Lyon, whom I fondly remember as having been one of my professors when I was at Carleton University.

On this side, we have complete consent to the suggestion by the hon. member.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we have been approached by the member for Edmonton Southeast, relating to this disposition of motion P-8, which is a Notice of Motion for Production of Papers.

We agree that since the government has taken the route of having Professor Peyton Lyon look into this question, it would possibly be redundant for us to discuss it at this time. We would unanimously agree to have the motion withdrawn from the Order Paper.

Adjournment Debate

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, on behalf of the New Democratic Party, we would also agree with the withdrawal. My particular concern had been trying to balance between the freedom of information and the use that can be made of this kind of request for papers by parliamentarians which other people in Canada do not have. Under the circumstances, I see no problem in agreeing to the withdrawal of the motion.

Mr. Deputy Speaker: I gather there is unanimous consent to allow the hon. member for Edmonton Southeast to withdraw his motion?

Some Hon. Members: Agreed.

Order discharged and motion withdrawn.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

AGRICULTURE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I am delighted to rise at this time and speak for the next six or seven minutes about a very serious matter that relates to many sections of this country. In this particular case I am talking about agriculture.

I could start off by asking the question: How many of us in this Chamber, how many Canadians would like to lose up to 90 per cent of their income in the year 1990? In some cases, there will be 100 per cent losses of net income. That is exactly what prairie farmers are facing in the year 1990. In my home province, it is estimated by Manitoba government economists that net farm income will drop 87 per cent. In Saskatchewan, it will drop 101 per cent.

Put in terms of figures, after taking into account living expenses such as food and clothing, the average return to a farm business in Manitoba will be just a little over $1,300 in 1990. That is compared to over $10,000 last year. To use an aggregate figure, net farm income in Manitoba will drop to a paltry $37 million in 1990. That compares with $285 million in 1989 and $364 million in 1988.

In the face of those dreadful figures, those frightening figures, what has gone wrong? Why this terrible forecast? Well, first of all, the grain market around the world is not very strong. Again, Manitoba farm economists predict that wheat prices will drop 10 per cent this year; oats, 28 per cent; barley, 20 per cent; corn, 15 per cent and canola, 6 per cent.

Also, when it comes to special crops, there will be a decrease in prices; canary seed, 17 per cent; mustard, 8 per cent; lentils, 6 per cent; field peas, 5 per cent. Livestock prices, at best, will be stable or will experience slight increases.

On one side of the ledger, we have a soft world market, particularly in grains. But that is only part of the story. The major reason for this dreadful forecast, this drop in farm income in my province and other provinces in this year, 1990, is because of the reduction in farm supports from the federal government.

• (1710)

It is estimated that government support in the farm sector this year will drop 70 per cent. No wonder farmers are facing a crisis. No wonder the agricultural community is in disarray, because it is this government which claims that it is a great friend of the farmers. The fact of the matter is that this government has abandoned the farm community on the prairies.

Let us look at what this government has done. Take, for example, the budget of a few months ago. What did the budget do when it came to farmers? I will tell you: crop insurance, slashed $200 million; grain and flour transportation, slashed $60 million; rail branch line rehabilitation program, cut $48 million; grain and crop advance payment programs, slashed $54 million; dairy export program, cut $12 million; commodity-based loan program, slashed $15 million; and the Canadian Dairy Commission, cut $10 million. That is a grand total of $399 million. No wonder the farm community is suffering and it is because of this government.

But the situation gets even worse than that. For example, the excise tax rebate on farm fuels has been cut as of the beginning of this year. That is going to cost perhaps as much as $900,000 extra in farm fuels to the farmer. You know, the farmer is already down and out and he is having to face this extra cost of as much as $9,000 in farm fuels.

The farmers just cannot take it. On the one side, the market is soft, they are losing support. But on the other side, they are having to face higher costs and they are having to face higher taxes. Take, for example, the GST. It is going to take millions and millions of dollars out of farm pockets. It is a sad story.

Mr. Cardiff: That's not true.

Mr. Harvard: Yes, it is true. It is true not only for farmers, it is true for almost every Canadian in this country. The hon. parliamentary secretary is denying the comment. All he has to do is ask Canadians. Look at the polls and we will find out who is speaking the truth, and how Canadians feel about the issue of the GST.

Supply management is under attack in this country because of the government. It is possible that in one, two, or three years, the the grain farmers on the prairies may be thrust into what is called a continental domestic market. They have not asked for it but they might get it. The question is: Has the government really addressed this issue? Does it really know the consequences? Does it know the ramifications? Does it know what it is doing to the farmers? No, it does not know what it is doing to the farmers. It has no idea. All it knows is how to tax. That is what it knows how to do. It knows how to tax and it knows how to cut, but it does not know anything about policy, not one little thing.

Do you want to hear something about supply management? I will tell you. This comes from a farmer, as quoted in the Winnipeg *Free Press* the other day, under the heading of "Supply Management". This is what the farmer said. "It is working well for me. You know what you are going to get before you even start, but free trade has hurt all supply managed farmers of milk, eggs and poultry. Just the mention of free trade and the value of turkey quotas dropped from $1 a pound to 70 cents. For 100,000 pounds of quota, you pay $70,000. At the farm gate, the actual turkeys are selling for 65 cents a pound".

You do not have to listen to me, you might construe me as a little partisan. Just listen to the farmers. They are telling you that the government is absolutely wrong. The farmers are also telling the government that they feel abandoned. There is a crisis out there and the government is not recognizing it.

It reminds me of what the Prime Minister said about Atlantic Canada the other day. "There is no crisis in Atlantic Canada". That is what he said. Oh, I know he tried to explain it by saying that there is a crisis only in the fishery. But we all know that if you have a crisis in the fishery in Atlantic Canada, you have got a crisis right across those provinces. It is the same thing when it comes to the prairie provinces. If you have a crisis in agriculture, you have a crisis everywhere.

It is time that the government listened to farmers. It is time that it put its ear to the ground because there is something terribly wrong going on in the prairie provinces and other agricultural sectors of this country.

Mr. Murray Cardiff (Parliamentary Secretary to Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I will stick to the topic as closely as I can and not deal with some of the rhetoric that we have just heard. It is important to keep the farm income situation and outlook in perceptive.

In 1989, there was a record high for realized net farm income and the final figures for 1989 are expected to be 13 per cent above the average of the last five years.

Even the prairies' 1988 realized net income was a record high and 1989 income should equal the five-year average. True, the outlook for 1990 is not encouraging, but we must keep in mind that the forecast is very preliminary at this stage. The 1990 crop is not even in the ground at this point.

International grain markets are particularly volatile these days due to low world stocks. Conditions could change dramatically over the next few months. If we look back over a number of a years with similar predictions, it has often been the case that it has changed.

The 1990 farm income prospects serve to underline the purpose of the work that has been under way for some time to develop a new long-term predictable stabilization program. This is one of the government's top priorities for this winter.

This government, when it came into office in September 1984, recognized the seriousness of the financial difficulties in the agricultural sector, the complexity of the problems and the need for a number of different

assistance measures. At that time many farmers were starting to deal with the impact of the high interest rates of the early 1990s which had risen to unprecedented levels. At the peak in August 1981, the prime rate reached 22.75 per cent.

In the face of high interest rates, those farmers who were highly leveraged found themselves unable to meet their debt obligations. These high interest rates were followed by declining market returns, especially for grains and oilseeds where an international price war intensified the existing market difficulties. Widespread droughts in the mid to late 1980s created additional financial problems for many farmers, not only in the west but right across Canada. They all had to face that problem.

Recognizing the serious financial difficulties facing farmers, this government took action. We established the Special Canadian Grains Program and the Canadian Crop Drought Assistance Program that I know that many farmers appreciated that this government was there to respond to their needs.

Farm debt review boards were set up across the country to help farmers reach arrangements with their creditors. Three hundred and sixty million dollars was also made available to enable the Farm Credit Corporation to enter into arrangements with farmers in the same way as other creditors. From the beginning of the program to the end of December, the farm debt review boards have completed 8,253 cases and in 6,356 of those cases, arrangements have been identified between farmers and creditors, a 77 per cent success rate.

The hon. member suggested that 8,000 farmers in Saskatchewan are facing foreclosure. In fact, the estimate is closer to 7,700 farmers, based on accounts in arrears to major lenders. A year ago it was estimated that there were 8,200 and the trend is therefore positive and is declining.

But one must remember too that most of the loans that are in arrears do not always result in foreclosure. Often the loan is only in arrears due to a short-term cash flow problem and is brought up to date once the funds are available. In the serious cases, farmers can turn to farm debt review boards and very often financial restructuring can help farmers service their debts. The success of this program has already been noted.

In the short term, the federal and provincial governments will be monitoring the farm income situation carefully. We have set up a federal-provincial committee to provide essential information vis-à-vis income difficulties prior to the development of a long-term safety net program.

The government recognizes that there are cases where restructuring of debt and arrangement are not possible. In those cases, and when the family so desires, there is assistance available to help with adjustment out of the industry.

This is not an easy time for many farmers, their families and their communities, and there is no quick-fix solution. But we are on the right track with the income adjustment assistance which we have provided and we will provide in the future if conditions warrant.

At the conclusion of the Agri-food Policy Conference in Ottawa this past December, it was announced that we were establishing an industry-government task force on farm finance. This task force will examine a number of farm finance issues including the particular needs of beginning farmers. It will report to the meeting of the federal-provincial agriculture ministers in August of this year. Based on the recommendations of the task force, the federal government, in co-operation with the provinces, will be in a position to take whatever action is most appropriate for the industry.

[*Translation*]

• (1720)

SOLICITOR GENERAL

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, when I rose in the House on October 3 last year, I asked the Minister of National Health and Welfare (Mr. Beatty) when Child Find would be advised whether or not it would get the funds it needed to continue to exist. Since that date, I have been informed that the organization received $15,000 to help write a book on missing children. This miserly gesture on the part of the federal government is a clear indication that the minister and his colleagues do not seem to care about dealing with the problem of missing children in Canada.

As you know, Child Find is a non-profit organization with headquarters in my riding, Saint-Laurent—Cartierville. Its purpose is to reunite missing children with their families.

The group has been asking for government assistance since April 1989. I have written to several members, urging them to support this group by providing substantial financial assistance.

[*English*]

In effect, the grant from the Solicitor General's office will provide the Missing Children's Network with enough funds to hire a single individual to work for three months to contribute to a book project. What should be done is to provide a sufficient level of funding that will ensure the network's ability to actively and without restriction pursue the cases of hundreds of missing children and broken families that each day look forward to reunification.

The Minister of State for Employment and Immigration provided for three UIC recipients to work in their office from September to December of 1989. However, this does not address the issue of continued government support that this organization needs to perform its task.

It is of the utmost importance that the network receive the kind of support that will give it a real chance in helping to reunite missing children with their families.

Unfortunately, it remains painfully clear to me and the rest of Canadians that this government is simply unconcerned about the problem. Instead of demonstrating leadership in the area, this government has given in to bureaucratic pigeon-holing that cannot decide whether the issue of missing kids should be handled by the Solicitor General, the Minister of National Health and Welfare or the Minister of Justice.

It is clear that instead of passing responsibility from department to department, this government should be co-ordinated and unwavering in its support of organizations such as the network that actively try to combat this national social problem.

[*Translation*]

By collaborating with this group, the government would acknowledge that the problem of missing children is a social rather than a criminal one. It is not a straightforward crime that we can hand over to the police to solve. It is a problem that should be acknowledged as arising from family violence. Not until the government realizes this will we, as a society, be able to deal with the problem of missing children.

Mr. Speaker, why does the government refuse to see the problem of missing children as an aspect of family violence? By doing so, the government is depriving the organization of funds that could be provided by the family violence prevention unit at the Department of National Health and Welfare. This is intolerable.

[*English*]

I say that it is our collective responsibility to protect the needs of Canadian children and families to ensure that every possible resource is allocated to combat this problem.

Let us put this into perspective. The federal government will spend nearly 100,000 of our tax dollars to look into such socially relevant issues—and I am being very sarcastic—as the role of the fool in history or the social significance of lawn ornaments. I am naming just two. It is willing to spend nearly $25,000 on any one of these issues while it refuses to spend as much in addressing parental abduction and runaways as a result of abuse.

The Missing Children's Network has successfully reunited 60 families across Canada. With adequate resources one could only speculate on the number of successful reunifications that this group could facilitate.

[*Translation*]

The Network has been able to operate until now, thanks to the unceasing work of its staff and volunteers. It has managed to keep financially afloat and thus carry out its tasks and meet its objectives. However, financial resources from the private sector are not unlimited. The government must now do its share and provide a level of funding which will enable the Missing Children's Network to continue its good work and thus give missing children a real chance to find their parents again.

Finally, Mr. Speaker, the government's giving the Missing Children's Network $15,000 is just a drop in the bucket. After waiting over six months for an answer from the government to find out if it could continue with its noble work, it is only being given this trifling sum. We will long remember that this Conservative government

was only willing to give $15,000 to an organization which has already saved 60 children.

[*English*]

What the Tories are actually indicating is that they are only willing to spend a miserly $10 for each of the children on the RCMP missing children's registry. How can we take the Solicitor General's initiative seriously? How can we explain to the nearly 1,700 children and their families out there that they are worth only $10?

[*Translation*]

In summary, my question is the same as last October 3: When can the Missing Children's Network expect to receive the necessary funds to maintain an adequate level of service for the Canadian people? Why is this government so reluctant to provide the funds which the agency needs? And when will this government adopt a positive and modern attitude to the Missing Children's Network and stop looking away from the problem, as it did in the past?

[*English*]

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to congratulate the hon. member for the strong humanitarian commitment she has shown in this area by raising this issue today and previously in this House. However, I would also reject the facile analysis that we have just heard relating to spending, and the seriousness of the problem, and her contention that this government does not care or is not aware of this problem.

Before when she raised the question with the minister in the House she had been pushing very hard on behalf of an organization, the Missing Children's Network, for an amount of $150,000. The fact is that the government and that department is not able to provide sustaining funding for organizations. Yet the government did want to provide assistance. It did contact the network and provided $15,000 for the conference that was held. It is currently working with the network in Montreal, and others, to develop very important pamphlets that will be of guidance to parents, teachers, community groups and others to bring to light some of the information that we have learned in this country, sometimes with difficulty and sometimes with sadness, about the social problems that give rise to missing children. This is an effort to get this information out in pamphlet form which involves another $15,000.

When the hon. member contends that this government is unaware of the problem she is in fact herself unaware of the fact that in 1985, within months of forming the government of this country, the seriousness of this problem became very clear to the government, as it did to all Canadians. The government at that time announced plans for a national forum on missing children, created a missing children registry within the RCMP, and initiated much of this important research into what is really the cause of missing children.

• (1730)

The fact is that in most of the cases the police are normally the lead community agency in responding to a missing child incident. It is not a matter of just spending a lot more money. It is a matter of improving links and understanding, information and communication among the police, schools, parents, courts, social agencies, and members of Parliament—all organizations involved—because there is in fact much more that can be done through effective co-operation than simply spending more money on the problem.

The creation of the RCMP missing children registry way back in 1986, which did predate the hon. member joining the House of Commons, has been the single most important contribution of the Ministry of the Solicitor General to the missing children issue. I am not going to give the statistics now because the member did so in her remarks.

There is a tremendous challenge here. It is not one that can simply be answered by putting money to it. It is one that is very serious. The research that the federal government has been carrying out has shown that the majority of the missing children incidents reported to the police involved children running from their home or from an institution. Many of the incidents of running away involve children who run more than once during the same year. After runaways, parental abductions constitute the second largest category of missing children incidents that are reported to the police. Abduc-

tions by strangers constitute a very small but extremely important number of cases.

As we are beginning to understand more about this problem we are becoming better equipped to deal with it. It is a sincere initiative by this government to address a very real problem. The hon. member does us all a service by keeping this issue in the forefront of our concerns here, but I do not accept the criticisms that she has made of the government's initiatives in this area. They are initiatives of which all members of this House, in a non-partisan fashion, ought to be very proud.

ACID RAIN

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, in June of last year President Bush announced his intention to transmit a bill to Congress which would, among other things, reduce emissions causing acid rain. Specifically, the bill would amend the Clean Air Act by inserting a number of sections that call for nitrogen oxides to be reduced by 2 million tons and sulphur oxides by 10 million tons relative to their 1980 emission levels by the year 2000.

It was clear that President Bush recognized acid rain as a serious environmental problem and one that demanded immediate action. The time had finally come for concrete action rather than more study.

At least 50 per cent of Canada's acid rain, and as much as 70 per cent in some areas, has its origins in emissions of sulphur dioxide and nitrous oxide from heavily industrialized regions of the United States. Canada's contribution to American acid rain, in retrospect and in comparison, amounts to 10 or 15 per cent of their total.

My purpose in quoting these figures is not because I want to point fingers but to illustrate that while there is a movement of airborne pollution across the international boundary in both directions, there is an obvious imbalance in terms of contributions to the problem. This imbalance accounts for Canada's determination to work with the United States to deal with our common problem.

As a member of both the subcommittee on acid rain and the special committee on acid rain, I can report that we recognized that the only way we could convince the American government that it should take steps to reduce that problem was by taking the necessary steps to reduce acid rain in our own country. We could hardly go to the United States and demand that costly pollution controls be implemented if our own domestic controls were lacking.

Significant steps have indeed been taken in Canada which demonstrate our resolve. For example, agreements to fight acid rain have been reached between the federal government and the seven easternmost provinces. Some $150 million dollars has been provided to help companies lower sulphur dioxide emissions by 50 per cent 1994. This will significantly reduce the amount of acid rain that we export to the United States. The maritime provinces are currently participating in three pilot projects worth $50 million to develop cleaner, more efficient methods of using coal.

Stricter standards have been in effect since September 1987 to reduce motor vehicle emissions by 45 per cent. In March 1986, the government established a new program to eliminate the hazards posed by the presence of lead in gasoline. As a result, leaded gasoline emissions will be virtually eliminated in this country by 1990. Clearly there is a lot more that we can do, but I think that at the very least we have demonstrated a willingness to do our part.

That is why it is particularly distressing to hear the American justice department's views on the issue of acid rain. In a written brief submitted to the U.S. Court of Appeals, the department states that a number of reports, both in Canada and the U.S., document the existence of acid rain as a problem, but argues that important scientific questions remain unresolved concerning acid rain deposition effects on forests, lakes, crops and building materials.

This sounds all too familiar. When I asked the parliamentary secretary on December 19 what steps the ministry of the environment was taking to impress upon the American government the seriousness of acid rain, he indicated that a January meeting was planned between Canadian and American officials to discuss a bilateral accord on acid rain.

I would like the parliamentary secretary responsible for reporting to the House this evening to comment on the results of that meeting.

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like to begin by paying tribute to the work of the hon. member for Fundy Royal. He has worked over the years on the important issue of acid rain and keeping this issue very much alive before the House.

I should say, in a preliminary way, that during the time a couple weeks ago when this House was not in session, I went south from my constituency, not very far south into the United States but as far south as the state of Ohio, to be the keynote speaker there at a conference on the environment.

Ohio is right in the heart of the valley where soft coal is mined and much of it burned, thus a contributing factor. There I was able to see—and I would like to report it to the hon. member—that now within the United States the issue of the legislative and legal response to this problem in President Bush's legislation which is now before Congress and the other bills before Congress dealing with acid rain has now unfortunately gone beyond the point at which for too many years the Americans were stuck, namely, the point of whether acid rain was even a problem, to the next stage where they are debating among themselves as to who is to pay, how much, and how they will work this out.

With respect to the issue in the United States it is also important to report to the hon. member that just at the time I was there 10 leading environmental groups of the United States had sent a letter to Secretary Baker criticizing the United States government for not having moved quickly enough to fulfil its commitments on environmental issues in and around the Great Lakes and on other issues such as acid rain.

Happily, as a result of initiatives taken by this government and by the hon. member for Fundy Royal, the issue has now moved to the stage where it has become an issue being debated within the American political system. That is a happy day for all of us because for so long it was simply lobbying by our government of the United States government. Due to the good relations that our Prime Minister has developed with the Americans, we were able finally to see something accomplished.

On the specific point, my information is partial and I do not want to mislead the hon. member into believing that I have the benefit of full information this evening to completely answer his question. I do know that when Ontario and several of the U.S. states petitioned the U.S. Court of Appeals last year to require the international air pollution provisions of the existing U.S. Clean Air Act to be used to implement a U.S. acid rain control program, it gave rise to a legal issue, one of them being certainly the one to which I think the member is referring.

The precise legal question at issue is the interpretation of that narrow administrative matter. U.S. administration officials have argued that there is insufficient scientific information available to proceed as the petitioners have requested and that the President's comprehensive acid rain proposal would provide a more effective and efficient solution.

Our view is that there is ample evidence for the administration to use its existing authorities and we will continue to press this as a friend of the court, *amicus curiae*, in the proceedings that are now taking place.

In conclusion, media reports that have portrayed the administration's position as backing away from its commitment to acid rain controls are simply not giving a full or complete picture. Indeed, earlier this month President Bush admonished the United States Congress to get on with passing the new Clean Air Act.

I hope that that is at least a partial response to satisfy the hon. member. If this is not adequate information I am sure that he will continue, both during the Question Period and at other opportunities, to raise the issue. I would be happy to get any further information that he might require.

Mr. Deputy Speaker: The motion to adjourn the House is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at ten o'clock.

The House adjourned at 5.41 p.m.

APPENDIX

CANADA AND INDOCHINA

Statement tabled in the House of Commons
by the Right Honourable Joe Clark, Secretary of State for External Affairs
and replies thereto by the Honourable André Ouellet
and Mr. Bill Blaikie.

Right Hon. Joe Clark (Secretary of State for External Affairs): I want to provide a progress report to the House on international efforts to end the violence that has gripped Cambodia for fifteen years. The Cambodian people have suffered greatly from invasion, unparalleled abuses of human rights, and civil war. We wish to ensure that Canada does its part in helping to break the cycle of suffering in Cambodia.

There are measures Canada can take to address the suffering of Cambodia, and which will contribute to the building of a lasting peace.

The recent history of Cambodia is a saga of unending war, turmoil and death. During the Vietnam war, approximately 600,000 Cambodians were killed.

At war's end, in April 1975, the Khmer Rouge forces overthrew the Cambodian government of Lon Pol. The criminal acts perpetrated afterwards by the Pol Pot régime between 1976 and 1979 were condemned by the international community and by Canadians of all walks of life.

The expulsion of the Khmer Rouge by the Vietnamese in 1979 resulted in a long civil war opposing three Cambodian parties to a government put into office by the Vietnamese army. Eleven years later, despite diplomatic efforts, the war is still raging on and more Cambodians are dying. The limited resources of Indochina are tragically wasted on the battlefront.

In September 1989, Vietnam withdrew its troops from Cambodia. Since then, the civil war has intensified. The front lines have changed somewhat, but, in general, have remained the same as those drawn up eleven years ago. In many instances, military solutions have been sought instead of political solutions.

The victims remain the same: the people of Cambodia, and indeed all of the people of Indochina who have borne too long the burden of protracted military struggle.

From the beginning of the war, Canada has helped fund the efforts of the United Nations and its agencies to care for the 300,000 Cambodians seeking refuge on the Thai-Cambodian border. Our commitment continues to these people, and this fiscal year it will amount to $3 million in food and other aid.

We also recognize the need to assist the 8 million Cambodians still living in their country whose lives have been disrupted by the armed struggle. Their needs are immediate and real. A response to their suffering must not be held forever hostage to progress towards a political settlement.

With that in mind, the Government is now in the process of re-establishing the eligibility of Cambodia, Vietnam and Laos, the three countries of Indochina, for official Canadian development assistance.

The exact nature of this aid is now under study by CIDA. As part of that process, an officer from our Embassy in Bangkok is currently in Cambodia with representatives of Canadian non-governmental organizations to examine how best to resume an aid relationship there.

In the short term, these programs will be small scale and focussed on humanitarian needs. Over the longer term their expansion will be predicated on progress towards peace and the political realities in the areas affected. We will not have Canadian aid channelled into the military efforts of any group. Nor will we permit it to be used by groups or governments whose records demonstrate a fundamental disrespect for basic human rights. We will, for example, insist that no Canadian aid be distributed in areas controlled by the Khmer Rouge. The central problem in the Cambodian conflict remains how to deal with the Khmer Rouge in an eventual settlement process. The reign of terror of the Pol Pot régime was one of the most brutal chapters in human history. Each position we, as a government, have taken on the question of Cambodia has been grounded in a determination *never* to allow the Khmer Rouge back into power.

We have called upon the Chinese, Soviet and other military suppliers to the Cambodian parties to cease their support. There is no benefit to Cambodia to be found in the further import of weapons. The people of Indochina have seen enough implements of war to last for all of history.

Two major developments broke the old impasse respecting Cambodia. The first was the recognition by the Parties themselves, and countries close to them, that war would yield no winner, but would hold back the development of Cambodia and its neighbours.

The second was the decision to treat the search for peace as a regional responsibility and lift it beyond the immediate combatants. Seminal to that process were the Jakarta informal meetings which brought the six nations of ASEAN directly into the process, working with the Cambodian Parties, Vietnam and Laos.

The next step was to make that search for peace a genuinely international preoccupation, moving beyond the region, to involve permanent members of the Security Council, and other countries with a particular interest or contribution. The Paris Conference was convened. Canada was invited because of our unique experience in peace-keeping, our extensive relations in the region, and our acknowledged reputation as a trusted and moderate nation.

The Paris Conference succeeded in getting the agreement of all parties to involve the offices of the United Nations, in the form of a fact-finding technical mission sent to Cambodia. It also made substantial progress in the design of an international control mechanism and in refining the complex of tasks that such a mechanism will have to address.

Canada co-chaired that Committee with India, and Parliament can take pride in the skill and effectiveness of the officials in the Canadian delegation. That first Committee produced the agreement that could well be the basis of further progress now.

The Paris Conference may resume, and Canada and other countries may be called upon to participate in UN-led peacekeeping and transitional arrangements. It is important that potential participants be adequately prepared. As part of this process, officials from my Department and the Department of National Defence are reviewing Canada's recent experiences in Namibia and elsewhere. Lessons learned there can be applied to improving the planning and organization of future peacekeeping operations such as in Cambodia. The collection, exchange and assessment of peacekeeping information with both existing and potential peacekeepers, as well as with the UN itself, can only serve to strengthen the UN's effectiveness and reputation as a peacemaker.

In October, I dispatched a mission to Indochina led by Ambassador Alan Sullivan, Head of our delegation for most of the Paris Conference, to explore and encourage the resumption of negotiations. One of the major messages delivered by Ambassador Sullivan in Hanoi and Phnom Penh was that of the importance of accepting a major role for the UN in any settlement.

In November, the Government of Australia proposed the establishment of a UN interim administration for Cambodia. That proposal has Canada's full support. It overcomes the problem of how to share power between the Cambodia parties, by delegating to the UN the responsibility for administering the country in an interim period prior to elections.

Like the UN-based settlement recently achieved in Namibia, this proposal would effectively guarantee that no Cambodian party would retain or acquire political power sufficient to disrupt the process leading to free and fair elections. That is the most flexible and reasonable proposal currently in play.

It has been welcomed by all the key players in the dispute, with the exception of the Khmer Rouge.

Indeed it is becoming increasingly clear that the Khmer Rouge and its two non-communist coalition partners no longer speak with a unified voice.

At the same time, Canada and other countries recognize that the current régime in Phnom Penh—the Hun Sen régime—is more than simply one of the four factions. Over the last few years it appears to have provided adequate government, and its record in most areas is far better than that of the Khmer Rouge Government which preceded it. Nowhere is this more evident than in the field of human rights and in basic respect for human life.

The peace process was moved forward in Paris last week in a meeting of the five permanent members of the Security Council. The meeting resulted, for the first time ever, in a significant level of agreement between the mentors of Cambodia's warring factions.

Their views were summarized in a 16-point communiqué highlighting an enhanced UN role in the resolution of the Cambodian problem. China's decision to agree to the communiqué represents a significant concession and suggests that China may move away from its long-standing insistence that the Khmer Rouge have a major role in the interim government. Such flexibility from the Chinese, who are the principal backers of the Khmer Rouge, is an important ingredient in ensuring the cooperation of the Khmer Rouge in the peace-building process.

As I have said in the past, we all wish that we did not have to deal with the Khmer Rouge. Unfortunately, the Khmer Rouge remain a major military reality, the strongest among the three resistance factions. To exclude them *a priori* from the peace would leave them no option but to continue fighting a civil war. We must instead find a way to include them in the process of peace while removing their ability to either wage war or to seize power and return Cambodia to the living hell it experienced under Pol Pot.

The next weeks will be crucial as details of the potential UN role are further discussed, and as options for resolving other key questions such as a cease fire and transitional arrangements are explored. Canada will be active in that process.

Should the Cambodian Parties return to the negotiating table with the kind of flexibility and commitment demonstrated by the permanent five in Paris, it is probable that a resumption of the Paris Conference will follow as a next step.

As a co-chair of one of its key committees, we expect to be closely involved in the preparations for a new Paris Conference. We will continue to work closely with our friends in Asia and elsewhere to help create the best possible environment for peace-building.

We will stress that a new window of opportunity to build a lasting peace has been opened, and that all the Parties to the conflict must approach the upcoming discussions willing to seek and make the compromises which will be required if Cambodia's long nightmare is to come to an end, and peace is finally to be brought to this one gentle and tranquil land.

Peace for Cambodia must become a priority for the world community. Canada has the experience, ability and commitment necessary to play an important role in the peace process. I can assure the House that we will do so.

Adjournment Debate

Honourable André Ouellet (Papineau—Saint-Michel)

I want to thank the minister for his courtesy in giving me an advance copy of his statement.

The minister's description of the horrors of the war in Cambodia dramatically highlighted the suffering of the Cambodian people.

I welcome Canada's decision to re-establish Cambodia's eligibility for official development assistance provided by Canada.

I wonder, however, how the minister will be able to meet these pressing needs at a time when his colleague, the Minister of Finance (Mr. Wilson) is talking about spending cuts. The budget envelope of the Canadian International Development Agency has already been severely affected, and many people are afraid there will be further cuts in the next Budget of the Minister of Finance.

At a time when the minister is talking about a full-scale review of Canada's foreign policy in connection with the political changes that are occurring throughout the world, he chooses to raise the subject of Cambodia. And why not? But when is he going to talk about East-West relations and how his government intends to meet the new challenges facing us as a result of the extraordinary changes that have taken place in the Warsaw Pact countries? When will the minister consider North-South relations worthy of a minister's statement in this House? We are very anxious to know how the Conservative government intends to deal more compassionately with the debt of Third World countries and how it will try to resolve a problem that is taking on alarming proportions.

The situation in Indochina deserves our attention, but I really wonder why the minister was so anxious to make this statement today. I am concerned about his priorities. The Conservative government already has a reputation for making pretty speeches. Unfortunately, its reputation for concrete action falls rather short of the mark.

The minister tells us that a Canadian official is now in Cambodia with representatives of Canadian non-governmental organizations to try and find the best way to resume an aid relationship there.

We are still at the stage of good intentions. No definite decision has been made, and we don't know whether the government will make a significant contribution that will justify today's statement or whether that contribution will be negligible, as has often been the case after pompous statements made by the Prime Minister or a member of cabinet.

Today, we in Ottawa are being visited by several representatives of Canadian non-governmental organizations concerned about the budget cuts. They have come to tell us that if CIDA again reduced their grants, some of them would have to give up their work and close down.

At a time when the Canadian government calls on these organizations more and more for its foreign aid program, it would be regrettable if the government's left hand, represented by the Finance Department, strangled the agencies which the government's right hand, represented by the Canadian International Development Agency, is reaching out to.

I therefore say to the minister: If you want Canadian non-governmental organizations to do your work in Cambodia, keep funding these agencies generously right here in this country.

In his long statement, the minister finally admitted that the crux of the Cambodian conflict remains the participation of the Khmer Rouge in any settlement. We think that the minister is taking a very great risk by putting so much trust in them and including them in the peace process, when they could again take power for themselves alone and reimpose their reign of terror.

What guarantee does the minister have that the Khmer Rouge are no longer able to make war and again plunge Cambodia into the hell it went through under Pol Pot?

I also wonder why Canada supported the Khmer Rouge's request for United Nations accreditation. It seems to me that this group should not at this time have the prestige and credibility that go with such accreditation. Has the minister had guarantees that he did not tell us about?

I hope so, because there is no doubt that peace in Cambodia is most desirable.

Mr. Bill Blaikie (Winnipeg Transcona)

I welcome the opportunity to reply to the Secretary of State today on this government's change of policy with respect to Indochina.

We in the New Democratic Party are pleased at the government's decision today to extend development assistance funding, through CIDA, to Cambodia, Vietnam, and Laos. This is a positive move, one which will be welcomed by the non-governmental organization (NGO) community which has long been calling for an extension of aid to the region.

We are also heartened today by the Canadian government's acceptance of the Hun Sen government as legitimate and significant participants in the Cambodian political process. The recognition of the dramatically improved human rights situation in Cambodia since Hun Sen took power is also a new and positive step in Canadian policy towards Cambodia.

I feel it necessary, however, to comment on some of the revisionism that the Secretary of State for External Affairs appeared to be indulging in today. In particular, Mr. Clark stated the following, and I quote,

"Each position we, as a government, have taken on the Question of Cambodia has been grounded in a determination never to allow the Khmer Rouge back into power".

This is a difficult assertion to accept given the fact that this government has recognized the Khmer Rouge-Led coalition as the legitimate representatives of Cambodia at the United Nations. This government's diplomatic support of the reprehensible Khmer Rouge has been, in a word, immoral. It's refusal to deal with the Hun Sen government during this period has been very regrettable.

So, much as we appreciate the government's moves today, I also feel compelled to ask the question, why did it take so long? Why did it take so long to accept the Hun Sen régime—it had been receiving reports for some time about the popularity of the régime and its positive record in government. Why did the Canadian government wait so long to give humanitarian aid to Cambodia and Vietnam—these countries have long been facing a desperate economic situation and have been in urgent need of humanitarian assistance.

On the point of assistance, given the extensive economic crisis in the region, we hope the aid is substantial and that it moves from humanitarian aid to also include long-term development assistance programs.

With respect to Vietnman, it is now time to work to reintegrate Vietnam back into the international community. The Vietnamese withdrawal from Cambodia last year procedded as promised, and this has certainly earned it some international good will.

The New Democratic Party is pleased by the recent diplomatic progress internationally regarding Indochina. The Australian proposal is a promosing one, China's acceptance of a process which involves the UN is also much welcomed. Perhaps we can replicate the Namibian process—one which has proven to be a major success in terms of UN involvement in bringing about peace and democracy.

I urge the Canadian government to support its rhetoric here today, and to show its commitment to peace by playing an active and positive role in the peace process, to ensure that the people of Cambodia, so deserving of peace, have the opportunity to experience it in the near future.

HOUSE OF COMMONS

Friday, January 26, 1990

The House met at 10 a.m.

Prayers

PRIVILEGE

TAKING OF VOTES

Mr. Deputy Speaker: The Chair has received a notice of question of privilege from the hon. member for Windsor—St. Clair.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, yesterday I employed near orbital oratory condemning those who accused me of deliberately and in contempt of this House voting twice on a motion.

I have since viewed the pertinent videotapes of that vote. Clearly during that vote there was a great deal of perhaps inappropriate levity and jocularity within our caucus surrounding my intentions, although I for quite serious reasons intended to vote nay and so indicated to my colleagues and mockingly feigned rising to vote in the affirmative.

It is clear from the tape that while not aware that I did so I rose in my seat to a sufficient degree to give a reasonable person the impression that I had in fact voted aye. While that was not my deliberate intent it did lead to confusion which required subsequent clarification and resulted in sharp words being exchanged in this House.

For that I apologize, as I apologize to the House through you, Mr. Speaker, for any misunderstanding that my actions however unintended might have caused.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

Right Hon. Joe Clark (for the Minister of Transport) moved that Bill C–5, an act to amend the Railway Act, be read the second time and referred to a legislative committee.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise to speak on behalf of Bill C–5 before us today.

• (1010)

It is unfortunate that it is necessary for us to do so today because of the very fact that this House passed back in 1987 the National Transportation Act. When I look across the way I see members with whom I spent long, hard, arduous hours working together on the National Transportation Act. I think the number of that bill was C–18.

Nonetheless, Sections 158 and 174 of the National Transportation Act brought to light the fact that where short–line railways come into existence they will no longer be under the authority of the National Transportation Act but under provincial authority.

This bill is necessary because there was once such a transportation company, namely, the Central Western Railway out in Alberta which came into being in 1986. It had been overlooked that it was falling outside the jurisdiction of this act.

What we have before us here this morning, early in 1990, is a short bill of one essential clause which makes it abundantly clear that the Central Western Railway should be brought into line with the present government policy, as reflected in Sections 158 and 174 of the National Transportation Act.

This back dates that particular section in the National Transportation Act to July 1, 1986.

What we have here is essentially a housekeeping bill to regularize an anomalous and undesirable situation which has a bearing on the Central Western Railway that purchased a section of the CN subdivision at Stettler, Alberta.

I am sure that members opposite wish to rise and speak to this bill. They are familiar with what is taking place. I know that the people of the Central Western Railway have actually been talking to each one of us on both sides of the House concerning this piece of legislation.

I ask for the co-operation of members opposite in making sure that this bill gets speedy passage.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I am pleased to rise in my place and respond to the remarks of the parliamentary secretary on Bill C-5.

I respond quite openly and quite honestly in saying to the parliamentary secretary, and indeed to the minister who has just come into the House, that up until very recent days it was the perception of the Official Opposition that Bill C-5 is as the parliamentary secretary describes essentially, in parliamentary language, a housekeeping measure, one designed to bring the CWR into a position in legislative terms equal to that of all other short-line railways in the country.

I have to point out to my colleague opposite, and I do so in good faith, that in very recent days we on this side of the House have heard from the representatives of workers at the CWR. They have expressed some concerns about this bill, concerns that heretofore we were not familiar with. In fact I hold in my hand copies of some correspondence that was written to the Minister of Transport on May 30 by the United Transportation Union.

This letter points out some concerns about Bill C-5 and the impact of its passage on the position of that union which is now for various and sundry reasons before the courts in terms of determining the proper jurisdiction of the railway and of the union with respect to CWR.

It is for that reason that we in the Official Opposition, because we are interested in ensuring that every voice that should be heard is heard, cannot give approval today to the passage of Bill C-5 at all stages.

What we would petition the government opposite to do, as well as colleagues in other parties, is to support the motion to send this bill to a legislative committee so that all of us in this House—in particular all those on the transport committee, my colleague for Kenora—Rainy River, our labour critic, and others—can participate in an examination of the bill and give those most directly affected by the bill, in this case the employees, an opportunity to be heard.

I say to my colleagues opposite that having provided that opportunity and having given everybody a chance to be heard on this bill then certainly we will co-operate to see its passage if there are not significant problems. On the other hand, if there are problems that we ought to be aware of I hope this House and the transport committee in their wisdom will deal with those problems and that the minister will respond in an appropriate way.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a pleasure for me to rise today and speak on Bill C-5, an act to amend the Railway Act.

This legislation that we are dealing with has far more reaching consequences than what my hon. colleague on the government side would lead us to believe. This bill deals not only with providing a private company, the Central Western Railway Corporation, with a clean legislative bill of health but, more important, with the future of all railway workers who would find themselves in a situation where private interests would purchase short-line railways from transportation companies such as the Canadian National.

I dare not treat this matter lightly, no matter what the arguments from the other side may be, for many reasons. First, the government's track record when it comes to railways leaves a lot to be desired. We have witnessed that just lately with the types of cuts that have taken place to the VIA Rail lines and the kind of service that is left.

Some areas are being left out in the cold with secondary type service and with the likes of a bud car, particularly in my riding which is supposed to run on a three days in and three days out per week basis. In December we saw that it ran six times in the whole month. It kind of makes one wonder just exactly what this government's intention really is *vis-à-vis* railroads.

It was only a few weeks ago that we witnessed the death of one of Canada's great traditions. I am speaking about the end of The Canadian. We have heard reports that a private group wanted to take over this route but at a price that few, if any, Canadians would be able to afford, especially if you tag on the GST—and God knows at what per cent it will be by then—to the price of the ticket.

I wonder if my colleague on the other side who spoke on this matter will be able to keep a straight face when he tells the workers at CN that deregulation, privatization and a deeper concern for the bottom line are to their benefit. I bet he would not be able to say that to all the laid off workers from VIA Rail.

CN employees are probably feeling pretty nervous right now wondering if they are going to be next. I wonder about a lot of workers along the rail lines who would be feeling nervous when we consider all the changes that are taking place these days to UI as a result of the free trade agreement and the changes to our tax structure when we talk about the GST. There are many things going on in this country that introduce a sense of nervousness for just about all of us.

When the bill was introduced in April of last year the United Transportation Union sent a letter to Minister of Transport expressing its concerns. It points out in this letter some background information that I would like to quote for the record:

> The United Transportation Union represents train and yard service personnel on the Canadian National Railway (CNR). The CNR sold a portion of its line (approximately 106 miles in south central Alberta) to the CWRC, a provincially incorporated company in November of 1986. The United Transportation Union and other unions, brought certain applications against the CNR and the CWRC to the Canada Labour Relations Board to preserve our bargaining rights and the jobs of our members. A critical issue was whether labour relations on the CWRC fell under federal or provincial control.

• (1020)

The Canada Labour Relations Board, in a decision dated February 27, 1987, held that the CWRC was a federal work, undertaking or business. The CWRC appealed that decision to the Federal Court of Appeal. The appeal was dismissed on January 28, 1988. The CWRC has now appealed these decisions to the Supreme Court of Canada. I must point out that that decision has not been handed down as yet. It is pending.

I would like to quote something from the bill under the heading "Continuation of Existing Corporations":

> 3. The company incorporated under the name of Canadian National Railway Company by an act to incorporate Canadian National Railway Company and respecting Canadian National Railways, chapter 13 of the Statutes of Canada, 1919, the company formed by the amalgamation of Canadian National Railway Company and The Grand Trunk Railway Company of Canada, and the Canadian National Railway Company referred to in The Canadian National–Canadian Pacific Act, 1933, chapter 33 of the Statutes of Canada, 1932–33, are hereby declared to be and to have been one and the same company, and the said company is hereby continued under the name of Canadian National Railway Company.

The purpose of reading this part of the bill is to indicate that in 1919 the government of the day saw fit to incorporate and nationalize our railroads. Today, we see a government which is somewhat insensitive to our national system. It seems to be quite content with the beginning of dismantling not only our passenger rail service but now it is headed toward dismantling our freight rail system.

Quite frankly, I find that appalling. I reiterate what I said earlier. With all the changes that are taking place in our country we see that now the government is supporting a bill that in essence allows for the dismantling of our national institution, the railroad. The very fibre that joined this country is now being dismantled. That is only one of the reasons I am opposing this bill.

I quote further from the letter to which I referred from the labour group which states:

> We oppose any legislation to benefit one company, particularly where the matter is pending before the court.

I happen to share that opinion.

I would like now to introduce a bit of history to these proceedings and to read some remarks made in December 1986 by the then Minister of Transport, the hon. member for St. John's West, on the motion for second reading of Bill C–18, an act respecting national transportation:

> As Minister of Transport, my responsibility, in addition to providing an efficient transportation system, is to provide a safe one. Our first priority will always be safety.

When we speak of safety and we talk about separating branch lines, abandoned lines if you will, from the main line and not allowing them to be part of the federal unit for the purposes of the protection of the workers, we are just tearing the whole system apart. It just seems to me

that there is safety in groups. When you break away from the main body, your bargaining powers are limited and safety is sometimes set aside for the sake of operating the business. We cannot allow that to happen.

For a moment I would like to go back to the future—no pun intended, and I am not referring to the movie either—and remind hon. members on the other side that if Bill C–5 is passed, it would in effect allow the Canadian Western Railway Company to disengage itself from the provisions included in Bill C–105, an act that was passed in May 1988 to ensure the safe operation of railways and to amend certain other acts in consequence thereof. That is exactly what I was referring to a few moments ago.

Bill C–105 ensures that the Governor in Council may make regulations respecting engineering standards governing the construction or alteration of railway works and such engineering standards may embrace both physical specifications and performance standards.

It also ensures many other safety measures and states in a section devoted to acts applicable to Canadian government railways that:

> Notwithstanding anything in the government Railway Act or any other act of Parliament, the provisions of the National Transportation Act, 1987, of the Railway Act, other than sections 156 to 184, and of the Railway Safety Act, in so far as those provisions relate to the construction, maintenance and operation of a railway, apply in respect of any Canadian government railway that would but for the passing of this Act, be subject to the government Railway Act, but only for the period during which the management and operation of that railway is entrusted to the national company.

In other words, once the company is declared outside of federal jurisdiction it does not have to conform to the act. Is the current Minister of Transport in the mood to allow different legislation to apply on a provincial level to various railroads, and in the matter of safety, no less? This concerns safety not only for the workers on these freight trains but for those who have to travel over railway crossings.

It seems to me that this government is intent on washing its hands of a whole lot of issues. The government would rather leave workers twisting in the wind when it comes to bearing the brunt of regressive taxes such as the GST. It would sacrifice Canadian workers on the altar of the mighty American dollar when it comes to free trade. Just after it put the lives of train workers on the line with cuts to VIA, the government wants to continue this trend for freight trains and jeopardize the livelihoods of these workers as well by washing its hands of the whole business.

I share the concerns of the United Transportation Union when it states:

> We strongly oppose the principle that federal regulation of railways, including matters of safety as well as labour relations, could be avoided by the transferring of a part or parts of a national railway to a provincially incorporated company. We consider this prospect to have serious consequences for the future of railways in Canada. We are completely at a loss to understand why Parliament should be promoting this prospect.

Frankly, so am I. I have yet to hear any arguments from the other side as to the rationale behind this. Maybe I have an idea about what this bill is all about. It is that the federal government would rather wash its hands of the whole thing. It intends to get rid of all the trains and leave it to private industry altogether.

I would just like to touch on the financial aspect of these abandoned lines for a moment. When we consider the amount of money in Canadian tax dollars that the government has spent over the years to build our national rail lines, we see that the amounts are phenomenal.

We are now in a position where our freight trains are giving us a return on that investment, yet we see this government abandoning lines and allowing them to be picked up for next to nothing with interest–free government loans. It is allowing them to go to private enterprise which is now showing a profit three times that of the government's.

When I see this I kind of wonder just what kind of management there is by the government when it comes to railroads. If a private company can do it, why cannot the national railways do it? Why are we abandoning these lines when they are in fact profitable, when they could and do return a profit, and when that profit could be returned to Canadian people, people who have invested in this company?

I just wonder what the government's response would be to such a question, a question as to why it is so willing to abandon these lines when they are profitable. My colleague from the other side has argued that Bill C–5

will only put the CWR on an equal footing with any future short-line railway.

• (1030)

How can I approve of such legislation when I see this erosion of another train company and the consequences that this could have on its workers? My colleague will also argue that a parliamentary committee approved the concept that short-line railways will be under provincial jurisdiction when it approved the National Transportation Act in 1987. I would like to remind this House that the NDP did not approve of this Act and that we certainly do not approve of it today. In fact, this is one argument that convinces me to be of a different opinion than that of my colleague on the other side.

In conclusion, I strongly support that this bill be recommended to the legislative committee so that we can hear from the various people concerned. I am sure that the owner of the CWRC would like to make a presentation to that committee, and I am absolutely sure the unions involved would like to make a representation to that committee. Perhaps we could even hear from the workers who are being affected by this legislation.

It seems to me that this bill is not as clear-cut or as simple and straightforward as it would appear. When you look at changing a word or a paragraph of legislation, you have to consider all the aspects and ramifications. Once we get into committee we will see that it is not all that clear-cut. I support the motion that this bill be forwarded to the legislative committee.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, as the labour representative for the Liberal Party of Canada, I too would like to voice my opinion in this matter as it relates to Bill C-5. Bill C-5 as it stands does not seem to people on this side of the House to have as large an effect as might be imagined. One of the problems with it that we on the labour side would like to take a look at, the ramifications it would have to the workers themselves. That is the most important part of this bill which needs to be looked at in committee.

As the labour representative for the Liberal Party, I think it would be to our benefit to send this legislation to committee and to look at the effects on the workers. We do not believe as a party that Bill C-5 truly will affect the aspects of safety as it relates to the rail line itself, but it is imperative that we look at the effects on the workers. I think it would be imperative for us as members here today to be prepared to let it go to committee, to have people on all sides of the issue come forward with their presentations so we can make a decision based on all the facts and not only based on the fact that the government feels it is such a small bill it has no consequence to Canada.

Therefore, I recommend that we send this bill to a legislative committee.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, ever since this bill was first presented to the House, I believe last April, I have had mixed feelings about it. My definition of "mixed feelings" is watching a Tory and a Liberal going over a cliff in my new car.

It is a short bill, one long paragraph, but it cannot be maintained that it is a very simple, straightforward bill because its ramifications are an extension of the ramifications that we in this party warned about when we dealt with the National Transportation Act. More particularly, it is a ramification of what happened over the year and a half of debate and struggle we had about the statutory grain rates, the Crow rates. I warned then that doing away with the statutory grain rates would lead to more rail line abandonments, more lost jobs and higher costs for grain producers to get their grain delivered.

The previous government and this government have consistently followed a policy that has led to the continuous downgrading of our national railway system. It has led to the breaking up into little pieces here and there all over the country of our national rail system. It has led to the handicapping of our railways to function at more than a break-even position. For example, the railroads are required to pay a tax on diesel fuel.

The railroads have to build, maintain and operate their own right-of-way. They are the only transportation mode that has to do that. For all other modes the rights-of-way, the airways and whatnot are made available through the public purse. Of course, when they have to pay a diesel fuel tax, tens of millions a year, it is nothing more than a subsidy to the highway users. That is an example of the handicapping of our national railway system.

I do not like saying "I told you so", Mr. Speaker, but I am going to anyway. When the statutory grain rates were being debated and being repealed, we were told that the railroads were losing so much money under the statutory grain rates they could not function, they would have to abandon railway lines and they would need assistance to fix up other railway lines in order to move our grain.

We were assured by the ministers of transport of those days, 1980, 1981, 1982, 1983, that if we were to do this, and the railroad said if we were to do away with the statutory grain rates and the railways were fully compensated for their costs of moving grain, all would be heaven. The railroads would be making money hauling grain, there would be no more branch line abandonments, or darned few, railway lines would be fixed up and the farmer's grains would be moved more efficiently. I predicted then and I have been proven right since that the opposite has been the case.

Even with the railroads getting full compensation for their costs of moving grain, they continued to make application to abandon thousands more miles of railway lines. Over the last year or two it has not just been in western Canada, but also Ontario, Quebec and the Atlantic Provinces. We now have two provinces with no railway, Newfoundland and Prince Edward Island.

It would seem that the only thing the railways want to do is operate a main line. That is all they want. They would get rid of everything else if they could get away with it. Well Sir, something they conveniently forget to tell people is that all of those tens of thousands of miles of branch lines and secondary main lines are feeders to the main line, delivering traffic to the main line so that the main line can be operated at a profit. There is nothing new about feeder lines or branch lines losing money, nothing new about that at all; it goes back to the first days of the railroad. However, they were built for several reasons. One was to provide that feeding of traffic to the main lines to be carried on to its destination, and then there was the matter of national policy.

• (1040)

Unless we get a fundamental change in the current national policy on transportation, this is going to continue and it is going to happen at a greater rate than ever before. It is immaterial whether transportation is privately owned or publicly owned, unless and until it is treated as a publicly utility and operated in that manner, and not just from the bottom-line syndrome, there will continue to be a denigration of our transportation system, particularly the railway lines, and the ones who are going to pay for it are the taxpayers and the ones who are going to suffer for it are the consumers of transportation.

In spite of all those assurances about how glorious it would be when the railroads were collecting full compensation for their costs of moving grain, it has got steadily worse. All that means to me is they are just keeping the money.

In the matter of the Central Western Railway, I can sympathize with what can happen if a new short-line railway were to start up tomorrow. If they are wholly within the boundaries of a province, they will have the benefit of the new National Transportation Act and will not be considered under federal jurisdiction. established before the new National Transportation Act, is not subject to the provisions of the new National Transportation Act. Hence this bill.

The Canada Labour Relations Board has ruled that it is a federal railway and subject to federal law and regulations. The Federal Court of Appeal ruled two to one that it is a federal works and subject to federal law and federal regulations. Now it is before the Supreme Court. I am of the view that this matter should not be brought to Parliament until the Supreme Court has ruled. Then the government can decided what it needs to do, if anything. If the Supreme Court rules that the Central Western Railway is federal only because of the Section 92 declaration, then the combined effect of Section 174 of the National Transportation Act and Bill C-5, if passed, would be to place all short-line railways, locally and wholly within one province, under provincial rather than federal jurisdiction.

On the other hand, if the Supreme Court held that the CWRC, the Central Western Railway Company, was under federal jurisdiction for the reasons referred to by Mr. Justice Marceau of the Federal Court of Appeal, then similarly situated short-line railways would be under federal jurisdiction. fill

You will note that Section 174 of the National Transportation Act only negates the effect of Section 92

declarations. It does not exclude railways that would otherwise be within legislative authority of Parliament.

Of course, it is open to the Supreme Court to conclude that CWRC is not under federal jurisdiction at all, in which case similarly situated short-line railways would fall into the same category and be under provincial rather than federal control for labour relations purposes. It seems to me a bit unseemly to be attempting to act in this matter until the Supreme Court has ruled. I understand they will be ruling later this year.

While all the rest of the industrialized world and even some developing countries are making massive investments into modernizing and re-equipping their railway systems, Canada is going in the other direction. One has to only look at the recent economic, social and transportation tragedy in the case of cutting VIA Rail's operations in half. Even the Americans to the south of us have recognized the need for an upgraded, modernized and efficient national rail passenger system. They have ordered new rolling stock, new locomotives. They just recently placed more orders for new rolling stock, some of it went to Bombardier who manufacture railway passenger cars. It seems strange that we can make railway cars for the United States and other countries—they have also had contracts with African countries and West European countries—but we are not making them for ourselves, which tells you something else about the present policy of this government.

Something like a national rail passenger system, something like a national system of branch lines can be made to operate at full cost recovery or better. It can be made to succeed. From looking at some numbers, it is my opinion that the Western Railway is doing a better job of moving grain than the CNR ever did. Aside from any legitimate worries that the railways unions have, the fact is that they are doing a better job and they are making it go. Now they have some real problems. They are going to have spend millions of dollars yet rehabilitating that line. They still have a fair mortgage to pay off to CNR. It will take another year or two before they have that mortgage paid off and then they are going to have to go into many millions of dollars to rehabilitate the line, including some heavier steel rails, so they are not out of the woods.

With what they have had to operate with, they have done a credible job of moving grain. That was the reason for its coming into existence since the government was prepared to let CNR abandon it. The government should have been kicking the CNR around and making them do it efficiently. We are in a real conundrum.

As I said at the outset, we have mixed feelings about this. On the one hand, I do not want to see the Central Western Railway be disadvantaged when other short-line railways will inevitably start up because the government is frantically trying to find buyers and so are the railroads, so they can abandon lines. That is the problem on the one hand. On the other hand, the whole matter of jurisdiction, whether federal or provincial, is something that has to be decided by the Supreme Court.

• (1050)

Surely it makes sense to continue what has been our entire history, railroads under federal jurisdiction, and for the works, the benefit, general welfare and good order of the nation as a whole no matter where they are located. That should be put back in place instead of this *ad hoc* operating from day to day, month to month, abandonment here, cancel the rehabilitation program. It was cancelled a year before it was supposed to run out. There is still about 1,000 or 1,200 miles of track to be rehabilitated. That was cancelled. All that does is make it all the easier for CN or CP to abandon them because they become in such disrepair that you cannot operate on them any more. Obviously, if they are not going to be repaired, they will be abandoned.

I think it is important that this legislation receives a thorough examination before the committee and that we call witnesses, any and all who wish to appear. My colleague mentioned some that should appear, the Central Western, the Railway Brotherhood. I think CN should be called. The National Transportation Agency should be called. Obviously, the minister should be called, although getting anything out of him is like trying to nail jelly to the wall.

I cannot support legislation that does not need to be dealt with until after the Supreme Court rules. I do not think it is necessary. I do not believe there will be any other short-line railway starting up this year. I have not heard of any developments anywhere in the country of that happening. There will be some people trying to start up a luxury, elite tourist passenger train from Toronto to Vancouver. If you have anywhere from $1,500 to $3,000 you will be able to get on that four times a month during

the summer, which is called some kind of a replacement of the Canadian. It is a replacement for the rich but it is no replacement for Canadians. You will see more of that sort of nonsense. If there is anybody damn fool enough to pay $4,000 to ride a train to eat some caviar and drink some champagne, well, if they can afford it, if somebody can con them out of their money, I suppose that is okay. You won't see any ordinary Canadians riding it.

I hope the government will take another look at this. I hope it will decide that the committee should go into this quite extensively, agree to hear witnesses and take all the time necessary and, more important, not do any finalizing on it until after the Supreme Court of Canada has made its decision.

Mr. Hovdebo: Mr. Speaker, I intend to speak on this bill, but at the moment I would like to ask a question.

The member for Regina—Lumsden is a well-versed member of the House with a lot of experience in transportation and transportation policy. I would like to ask two questions really but one initially.

This particular railway is being established to move grain on a particular branch line which was up for abandonment. Would the member tell me where the money to operate that particular railway is coming from under the present structure of payment for the movement of grain under the Western Grain Transportation Act?

Mr. Benjamin: When the Central Western Railway was being organized, their banker, upon looking at an obscure clause in the Railway Act, said that any revenue the company gets should go first to operating expenses and then to debt reduction. So the banker backed out.

Under the Western Grain Transportation Act, under which the government paid 80 per cent at that time of the cost of transporting grain, the partners of the Central Western Railway got a prepayment on those costs of moving grain, a grant against tonnage to be subsequently hauled. After negotiating with Canadian National, they got CN to agree to carry better than half of the $2.7 million price-tag they owed. That meant the Central Western partners owned a railway.

I spoke about a mortgage. I believe that is the one they are now paying back to Canadian National, something in the order of $1.5 million. The money was obtained under the Western Grain Transportation Act initially as a prepayment. I suspect that they are now getting money in the normal way. I am not certain, but I believe they could be getting money under the Western Grain Transportation Act, getting paid in the normal way as and when grain is hauled and delivered, and then making payments on their mortgage to Canadian National.

One other way in which they make some revenue is a steam locomotive and three or four heritage-type passenger cars which they run up and down that line in the summer. They haul people who want to ride a steam train. I do not know why the CNR did not think of that. That is about the only two ways in which they derive revenue.

I may say also that they have anywhere from 18 to 25 employees, depending on the time of year. Most, if not all of them, are shareholders in the company and most, if not all of them, used to work for a railway somewhere else in Canada or the United States such as CN or CP. I believe one or two are Americans. They are people who took early retirement, or got laid off indefinitely. They could see the handwriting on the wall, so they quit. As far as I am aware, they are all experienced railroaders, which is probably the main reason for whatever success CWR has had.

Mr. Deputy Speaker: There is approximately one minute left for both the question and the answer.

Ms. Mitchell: Mr. Speaker, I would like to ask a question of the member who is an expert on rail transportation. If there is not time, perhaps we can give notice and debate it a little later.

What things does the hon. member think are needed in order to upgrade, improve, modernize and make more efficient the connections between the transportation of grain into ports such as Vancouver to make us competitive with the American transportation system where, of course, they have double-decker trains and many more efficient methods of transport? As a result, this is taking business not only from rail transport in Canada but also from our Canadian ports.

Mr. Deputy Speaker: I will allow the Hon. Member for Regina—Lumsden to answer after question period if we are still on this bill.

It being eleven o'clock the House will now proceed to statements by members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SENATE REFORM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, with all due respect to the voters of Alberta, I take exception to the recent Senate election in that province. In general, it just cannot be correct that each province determine the method of selection of Senators. One province, such as Alberta, may have all the voters vote for all the candidates, another province may choose to have Senators elected by ridings or by counties or by population distribution. In any case we would have chaos across Canada.

In the particular case of Alberta, the method used to elect a Senator could result in Senators coming from only one town or city. Under this system in Nova Scotia most or all of Senators would end up coming from Halifax. That system is hardly effective representation for Alberta, Nova Scotia or any province.

Such an important issue as Senate reform must result in a uniform system by agreement with all governments involved and under the rules of our Constitution. Senate selection cannot be haphazard and inconsistent across Canada.

* * *

UNEMPLOYMENT INSURANCE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, yesterday's statement by the member for South Shore on Bill C-21 cannot go unchallenged. The minimum number of weeks to qualify for UI went from 10 to 14 weeks in Guysborough, not because of the Senate but because on December 20 the government he supports voted down legislation in this House which would have maintained the minimum entrance requirements at 10 to 14 weeks for another year.

The member should know that if Bill C-21 is passed, unemployed workers in his riding will require not 14 weeks to qualify for UI benefits but 15 weeks if they live in Lunenburg County and 18 weeks if they live in Queens or Shelburne Counties. Furthermore, UI benefits to his fishermen will be made more vulnerable as they will be no longer financed out of general revenues.

Rather than accusing the Senators of hypocrisy, the member would better serve his constituents by calling on his Minister of Employment and Immigration to withdraw this bill and return the minimum weeks to qualify for UI to 10 to 14 weeks as we on this side of the House have been urging her to do.

* * *

CHINESE NEW YEAR

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this past year has not been an easy one for many Chinese Canadians. The massacre in Tiananmen Square shocked the world. Loyalties to the homeland were mixed with concerns of new repressions. Uncertainties increased in Hong Kong and many people made plans to emigrate to Canada.

In British Columbia tensions increased as new immigrants were unfairly blamed for rising house prices. The Canadian Government sold entry tickets to Canada to rich investors, while poorer relatives were refused admission. Racism surfaced; most recently a racist pin circulating in Alberta which denigrates visible minorities and multiculturalism.

Chinese Canadians are contributing in all walks of Canadian life, in business as workers, in professions as judges and as a Lieutenant-Governor. Immigration has reunited families who are helping each other to become established. Their children are among our best students. Our economy and communities are strengthened and our culture enriched as a result. I know all parliamentarians join me saying "Gung hai, fay choy, happy Chinese new year".

* * *

MEECH LAKE ACCORD

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, as we approach the critical deadline for adoption of the Meech Lake Accord, I wish to clearly reiterate, as I have previously expressed on several occasions, my personal strong support for this constitutional amendment. For me the overwhelming imperative

is my confidence in the future destiny of Canada and in the role which we have to play in the larger world.

I do sincerely believe that Canadians must and will rise to this highest goal of strengthening the very unity of our nation in the months which lie ahead. Only in such national strength and unity can we help to lead the countries of the world in confronting the truly global challenges of our time, both economic and environmental.

* * *

ENERGY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise to bring to the attention of this House the fact that the price of propane fuel has sky-rocketed by 50 per cent over the last month. Since the beginning of December bulk propane has increased from approximately 19 cents a litre to 30 cents a litre throughout all of eastern Ontario. One feed mill in my constituency has estimated that the cost of operating its boilers would increase by $20,000 this year if that price remains the way it is. An owner of a grocery store and bakery in my riding which utilizes propane has also stated that his costs would increase by over $8,000 this winter alone.

I call upon the Minister of Energy, Mines and Resources to immediately contact the officials of the large oil producing companies and tell them that the price increase in propane is totally unjustifiable. In a rural area such as the one that I represent, propane is a fuel of necessity. We need it in order to run many of the businesses in my riding. I hope that the government notices this issue and reacts immediately.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, everyone admits that the greenhouse effect responsible for global warming is a major environmental challenge.

On January 16, 1990, the Horne Division of Noranda Minerals in Rouyn-Noranda reported on the concrete action taken in recent years to fight the greenhouse effect.

In 1980, over 15 million Imperial gallons of heavy oil were burned, but in 1989, they only used 166,000, a reduction of 98.9 per cent. The tonnage of coal used went from 32,350 in 1980 to 10,539 in 1989, a decrease of 67.4 per cent.

Noranda Minerals attributes these successes to the building of two air separation plants in the last few years at a cost of some $16 million. By thus reducing its use of heavy oil and coal very significantly, the Horne Division of Noranda is reducing its CO2 emissions by 4.2 billion cubic feet a year compared to 1980. To give some idea of the size of such a reduction, it is equivalent to the annual emissions of 23,000 single-family homes heated with natural gas.

Mr. Speaker, clearly the federal government's environmental leadership is bearing fruit. I would also like to ask all my colleagues—

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but his time has expired.

* * *

[*English*]

HEALTH

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the American Lung Association recently released a study showing that air pollution from automobiles causes between 50,000 and 120,000 deaths in the United States each year. It is costing the health system over $40 billion annually. These deaths are a result of low emission standards and the continued reliance on so-called dirty fossil fuels.

The report also states that automobile fumes are responsible for devastating large tracts of valuable agricultural and forest land. These startling conclusions must be of equal concern to Canadians. They send a clear warning that this government should begin to take seriously the need to encourage and promote the use of alternative fuels.

Groups such as the Canadian Renewable Fuel Association have pointed out that vehicle conversion to other forms of fuel, such as natural gas, propane and ethanol are clean and financially viable alternatives to gasolines.

The U.S. Congress is currently debating amendments to the Clean Air Act which addresses the issue of emission levels. This act will implement sweeping environmental standards far exceeding anything that we have in Canada. This government must stop posturing on environmental issues and start to encourage the use of cleaner fuels in the millions of vehicles on the road in Canada.

* * *

[*Translation*]

INFANT MORTALITY

Mr. Ricardo Lopez (Châteauguay): While watching television yesterday, Mr. Speaker, I heard the distressing news that Canada ranked first among all developed countries as far as the rate of infant mortality is concerned. This is disturbing news indeed when we realize that our young people are the real wealth of this country. I wonder what the Government is prepared to do to remedy this afflicting situation.

Mr. Speaker, the sad truth is that infant mortality is the highest among the poorest families. I have already mentioned in the House the need for the government to grant financial support to the poorer families, including a salary to homemakers. Mr. Speaker, our government should keep this in mind as it is preparing its forthcoming budget.

I urge again the government to seriously consider the possibility of granting a salary to homemakers, especially in the case of the poorest families.

* * *

[*English*]

CANADIAN ARMED FORCES

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, in the Williams Lake area of B.C. the military's Nordic Warrior exercises ended this week. These exercises involved some 1,600 troops, 350 army vehicles and low flying military jets and helicopters.

• (1110)

Upon the departure of the troops their garbage and waste was deposited in the Williams Lake city dump. The waste included such items as boxes of T-bone steaks, prime smoked beef and canned foods, all in extremely large quantities; batteries and equipment still in its plastic wrappers. There were truckloads, according to the MLA for the area, Mr. Zirnhelt.

The Minister of National Defence should launch an immediate inquiry into this gross waste of food and equipment; apologize to the people of Williams Lake in British Columbia, and the people of Canada.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On April 11, 1989, Mr. Speaker, the President of Treasury Board promised the House that the government would table before the end of 1989 the regulations concerning the Official Languages Act. Nineteen months have elapsed since Bill C-72, an Act respecting the status and use of official languages in Canada, was adopted on July 7, 1988, and over nine months have elapsed since the President of Treasury Board promised the House to table the said regulations.

Including its public consultations and the study by the Standing Joint Committee on Official Languages, the government will have needed three years before taking action.

I am flabbergasted by this Tory Government's irresponsibility in this area. Having failed to deliver, the President should at least try to save face by tabling immediately and in its entirety the draft regulations with respect to the Official Languages Act, so that Canadians may know what direction where the government stands as far as its official languages policy is concerned.

* * *

[*English*]

THE ECONOMY

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the most important issues in our great nation today is the state of the Canadian economy. Despite difficult international economic circumstances, Canada has placed second only to Japan in terms of economic growth among industrialized nations of the world.

In the past five years Canada's over-all unemployment rate has dropped from 12 per cent to about 7.4 per cent. This is solid evidence that real progress is being made toward the goal of strengthening our economy.

In spite of recent successes, however, more work has to be done. Canadians from sea to sea have pointed to the federal deficit as a major economic concern. The upcoming federal budget must reflect Canada's concern for the deficit. Responsible and reasonable expenditure restraint must continue. Taxation systems must be reasonable and fair. We must all work toward deficit reduction to ensure that the next generation of Canadians can work and live in a better Canada with a stronger economy.

* * *

GOODS AND SERVICES TAX

Mr. Rod Murphy (Churchill): Mr. Speaker, events of this week have proven once and for all something I have long suspected. The New Democrats are the only party opposing the GST. We are the only party that Canadians can depend upon to stand up and fight for what Canadians really want.

Eighty per cent of Canadians do not want a goods and services tax. At the same time, the Conservative government seems determined to ram this goods and services tax down the throats of Canadians and we learned this week that the Liberal Party is not going to do very much to stop it.

Why is this? Now we know. Mr. Chrétien, one of the leadership hopefuls, has said on national television this week he really does not know what he would do about the GST. What are the 30 Liberal MPs who support Chrétien supposed to say? The Liberals are not helping us in our campaign to stop the GST because the Liberals do not know what they believe, and they do not know what they will do if they were ever elected.

Let me say again that 80 per cent of Canadians do not want the GST. The Conservatives are not going to listen to them. The Liberals do not know who to listen to. We in the New Democratic Party are going to do everything in this House of Commons that we can legitimately do to fight the GST. We are going to do it in the regions, the communities and the constituencies of Canada and we welcome all the help we can get.

[*Translation*]

THE MINISTRY

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, I am extremely shocked and disappointed by the resignation of the Minister of State for Fitness and Amateur Sport because for once we had a minister with a fresh outlook and a challenging year 2000 action plan for Canadian athletes and all Canadians actively engaged in sports activities. I think it is quite discouraging.

But why was he so badly advised? I for one believe the blame rests primarily with the unelected leaders of amateur sports who gave very misleading advice to the minister because this time around they were concerned they would lose control over amateur sports in Canada. They had to deal with a minister who was not afraid to voice his opinion, to work closely with the Canadian people and, on behalf of amateur sports and especially the athletes, to express challenging ideas likely to propel Canada on the international scene.

I would suggest that criticism be aimed, not at the minister for his technical mistake, but indeed at his advisers, those people who preside over amateur sports in Canada. We serve them notice that for once the government is monitoring their performance and will assume full responsibility for amateur sports with a view to providing proper guidance to our athletes and help them to achieve and to carry Canada's colours on the international scene.

* * *

[*English*]

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, Canadian dairy farmers take pride in maintaining the safest products in the world and yet the United States is using sanitary regulations to restrict the entry of Canadian yogurt into the United States.

The Minister of Agriculture told dairy producers in Moncton that Canada was going to start actions against the United States, after the dairy farmers did their homework.

It is now time for the minister and his government to begin their homework by taking inventory of these American non-tariff barriers that are harassing Cana-

dian farmers so we can launch a GATT panel hearing to protest these American actions.

Canadian farmers are fed up with the United States clawing to get into our markets while restricting our entry into the United States.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Right Hon. John N. Turner (Leader of the Opposition): In the absence of the Prime Minister, who is probably holding some hands with the Minister for International Trade and the Minister of Communications, although we see the Secretary of State for External Affairs in his seat this Friday morning, I will put my question to the Minister of Finance.

There is yet more evidence this morning that the Canadian economy is entering a period of slower growth. The deputy chief economist for the Royal Bank of Canada adds his voice to others who predict a recession. You do not have to be an economist to know that this is not the time for any government to be bringing in a new, massive, regressive, hidden sales tax in the form of the GST.

The new sales tax will add to consumer costs, fuel inflationary pressures and choke off investment. Why does the Minister of Finance still insist that now is the time to slam the economy and all Canadians with this massive, hidden, regressive sales tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me say that the slowing in the growth of the economy is something we have been expecting. I spoke about it in my last budget—

Mr. Gray (Windsor West): It was caused by your budget. You admitted it.

Mr. Wilson (Etobicoke Centre): As colleagues will recall, I said it was important that we see some slowing in the growth of the economy because we needed some relief from the inflationary pressures that have been causing the high interest rates that we have been living with now for over a year.

Mr. Gray (Windsor West): You are causing the high interest rates.

Mr. Wilson (Etobicoke Centre): The House leader for the opposition says that we are causing the high interest rates. The high interest rates are there because we have a high level of inflation and have had for some time. We are learning of the damage that was done in the late 1970s and the early 1980s, because the government at that time ignored the inflation problems and let it get out of control. That led to the high interest rates, high inflation, and high unemployment that were so serious in 1982 with the recession that we had. This is precisely what we are trying to avoid.

The hon. Leader of the Opposition says again that this is a hidden tax. It is not a hidden tax. If the hon. member looks at the tax we have today, it is absolutely hidden. There is no way that people can tell what the existing federal sales tax is, but if people look at what will happen when the GST comes into place, they will see it is a very visible tax. There are very few people in this country who are not aware of the GST.

Right Hon. John N. Turner (Leader of the Opposition): From the way the minister is talking this morning, he is going to be his own self-fulfilling prophecy in terms of the future of the economy.

The Prime Minister is not here, but I wonder whether the Minister of Finance could give him a little arithmetic lesson. The Prime Minister is telling the country that because the 13.5 per cent manufacturers' sales tax has been lowered to a 7 per cent retail goods and services tax, this is less of a tax.

• (1120)

Would the Minister of Finance be good enough over the weekend to take the Prime Minister aside and tell him that this new tax will be $7 billion more? Will he take him through the calculations which show that a tax on a retail price takes far more out of a consumer's pocket than even a higher tax way down the line at the manufacturer's sales level. Perhaps he will be good enough to illustrate that to the Prime Minister and get him off that particular argument.

Mr. Clark (Yellowhead): Do you have a question?

Mr. Turner (Vancouver Quadra): On top of that the minister was giving us a lecture this morning, a kind of diluted Economics 100-1/2.

Mr. Clark (Yellowhead): Is this a farewell speech or a question? Do you have a question, John?

Mr. Turner (Vancouver Quadra): The Secretary of State for External Affairs asks me whether this is my farewell speech. I will yield the floor right now to hear his farewell speech.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): He wanted unanimous consent yesterday so that we would adjourn the business of the House to hear his statement on Cambodia. We were agreeable, but I am sure I could persuade even the NDP to adjourn the House this morning and listen to the farewell speech of the Secretary of State for External Affairs.

The Minister of Finance quietly raised the old manufacturers' sales tax from 9 per cent to 10 per cent to 11 per cent to 12 per cent to 13.5 per cent. Yet he is trying to tell the country that 7 per cent is going to be a real break. Why does the minister not bite the bullet, come clean with the Canadian people and tell them what is in store for them after he insists on imposing this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Leader of the Opposition has demonstrated—

Mr. Clark (Yellowhead): The temporary Leader.

Mr. Wilson (Etobicoke Centre): —the temporary Leader of the Opposition, thank you—has demonstrated quite clearly why there is less than perfect understanding on the part of Canadians of the impact of the GST.

He has just talked about a $7 billion additional impact of this tax. I do not know where he got that figure from.

Mr. Turner (Vancouver Quadra): Your numbers.

Mr. Wilson (Etobicoke Centre): He says it is my numbers. Where are those numbers drawn from? Did he ever take the time to read the December 19 statement? He says that it is not less of a tax. It is less of a tax for some products. We made that clear. The price of an automobile will go down $500 or $600 as a result of this tax. Some products will go up in price. But the over-all impact on inflation, as I indicated on December 19, is about 1.25 per cent.

These are misstatements of fact on the part of people like the Leader of the Opposition. People look to him and say, "Surely I can listen to this man with some degree of trust." Obviously, they cannot because those statements of fact are simply wrong.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is the Minister of Finance who described this new tax as not adding one single cent of additional tax to the Canadian people. It is going to be a licence to print money and he knows it.

[*Translation*]

Thirty-one times in five years, Mr. Speaker, this minister raised taxes on Canadians. This minister now wants to hire 3,900 new tax collectors whose only job will be to collect this new tax.

The minister had promised small businesses in Canada that every year he would pay them a given amount of money to help them offset the cost involved in collecting the TPS, but now the minister is backtracking.

Would the minister agree that this tax, which the government claims to be a simple levy, will in fact prove to be an outright administrative chaos, a case of administrative anarchy for over 1,250,000 businessmen in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition asked whether I would advise the Prime Minister of certain details of this tax. I would like to offer to the Leader of the Opposition that if he would like a briefing on this tax I will give it to him personally. Clearly he does not understand anything that he is talking about. How about five o'clock tonight? Tomorrow morning at nine o'clock? Any time the Leader of the Opposition would like to have a briefing on this tax I would like to do it.

Mr. Gauthier: Who briefed you, Michael?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the member for Ottawa—Vanier is one of the best known supporters of a change from the existing sales tax. He said that quite clearly.

Some hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): But again he has never made it clear what he would replace it with. Is he going to replace it with a value added type of tax? Is he going to replace it with an increase in the deficit? Is he going to go back to the drawing board and keep the existing tax in place which he says is such a terrible tax. This is the depth of understanding, the depth of commitment to policy development in this country by the Liberal party.

Let me comment on the substance of the question that the hon. member raised.

Mr. Turner (Vancouver Quadra): Oh, come on.

Mr. Wilson (Etobicoke Centre): After about a 20-minute preamble on the part of the Leader of the Opposition, he is telling me he does not want me to respond to the specific things that he raised in his preamble. He should be patient.

What I am saying is that we have taken a number of steps in the design of the goods and services tax to help the small business community. We have streamlined accounting procedures which are far simpler for them to comply with than the larger corporations.

Mr. Turner (Vancouver Quadra): Why don't you explain that to Mr. Bulloch.

Mr. Wilson (Etobicoke Centre): The hon. member just keeps blabbering away here. I think the Leader of the Opposition should understand that he cannot listen when his lips are flapping as quickly as they are.

Some hon. Members: Hear, hear!

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance. I think he has opened up an avenue that may be very helpful to him, in his offer to brief the Leader of the Opposition on the goods and services tax.

Is the Minister of Finance prepared to come with me and with other members of this House, perhaps the Secretary of State for External Affairs, to Edmonton, Alberta, to brief Albertans on this goods and services tax as opposed to sending the chairman of the finance committee out to Edmonton, Alberta?

Would he like to undertake today, at his convenience, to attend upon the people of Alberta and to brief them on the goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have been in the province of Alberta and talked about the goods and services tax. I have made a number of speeches there. I was on a nation-wide open line cable television show which included Calgary, Medicine Hat and other communities in that area. I am happy to go anytime, and I would be happy to do it with the hon. member. We can then compare just what the truth really is about this tax because I think the hon. member for Gloucester probably would be a little straighter with people than with the Leader of the Opposition.

Mr. Douglas Young (Gloucester): Mr. Speaker, I am sure that we can make those arrangements and I will look forward to doing that.

I have a supplementary question for the Minister of Finance. Since he seems to be ready to damn the torpedoes and full speed ahead with the goods and services tax, I wonder if the Minister of Finance today would indicate what is the policy of the government, in view of the fact it is insisting on bringing in the goods and services tax which everybody admits will be inflationary. There is some discussion as to how much.

What is the policy of the government with respect to the high interest rates? Is it against the fact that the dollar dropped in the last week to help Canadian exporters? Is it your intention to maintain high interest rates and a high Canadian dollar no matter what damage it does to the Canadian economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have heard from both the Leader of the Opposition and the assistant finance critic for the Liberal party on the damage that they say will be done by the GST to the economy.

It is quite clear on the part of a wide range of analysis that the GST will be good for the economy. It will help our exporters. It will put Canadian domestic producers on a level playing field with importers. Importers now pay one-third less federal sales tax than Canadian producers do. It will help investment. The Leader of the Opposition said it will kill investment. On the contrary, it will reduce the cost of investment, equivalent to a 4 per cent investment tax credit. All of this is going to help the economy.

The hon. member has asked what our policy is on interest rates. Our policy has been designed to get

inflation down. We are seeing some signs that that policy is starting to bear fruit. We are not out of the woods yet.

• (1130)

Now, the hon. member has asked what our policy is on interest rates. Our policy has been designed to get inflation down. We are seeing some signs that that policy is starting to bear fruit. We are not out of the woods yet. We know that we still have some real problems on inflation, but we are seeing some progress and hopefully we will be able to see a continuation of that progress, and as that happens, yes, we will be able to get interest rates down.

* * *

GOODS AND SERVICES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. The government has already cut transportation subsidies to the Atlantic region. It has cut back unemployment insurance benefits and now wants to introduce a new 7 per cent goods and services tax.

Both producing goods and purchasing them is going to be higher. In fact, recently the tourism association of Nova Scotia has withdrawn its support which it had previously given for the goods and services tax saying: "There is no question the GST will be devastating to the tourism industry."

Given the devastating economic situation facing Atlantic Canada, will the Minister not admit that imposing the goods and services tax will only further accelerate the situation in that region?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition—I guess she will be the Leader of the Opposition the way this party is going.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I notice the members opposite did not like that suggestion. There is just a little bit of sensitivity on the other side of the House.

There have been a number of quite selective comments made by the Leader of the New Democratic Party on the impacts of government policy. One of the things she talks negatively about is the unemployment insurance system changes as they relate to Atlantic Canada. Those changes are going to be very good for Atlantic Canada relative to the impacts on parts of the country like southwestern Ontario where there are changes that will bite. This is not the case in Atlantic Canada and the New Democratic Party persists in fostering that misleading statement.

We have put a great deal of effort into regional development which includes the moneys that we have put toward the tourism industry. As the Prime Minister noted the other day, we had a 50 per cent increase in regional spending in our first mandate compared to the previous four or five years, and in this mandate it will be about 35 per cent higher. That includes ACOA, that includes the tourism industry, that includes the tourism industry in Atlantic Canada.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, if the Minister of Finance wants to tell the people of the Atlantic region that unemployment insurance cuts are not going to happen to them, he should go there and tell them personally because I think he will hear what they have to say about it.

The Atlantic region is not the only region that is going to suffer under this new goods and services tax. I want to point out to the minister that he should go to the regions of this country and see what is really happening. For example, a snowsuit for a two-year old child in Yellowknife, Northwest Territories, costs about $140. If you go to Sparks Street, it costs about $50. A 7 per cent tax on $140 is considerably more than a 7 per cent tax on $50.

With the goods and services tax, I think the minister has to realize that it is going to hurt the regions of this country. Does the minister think this tax is fair to northern Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, these statements that are quite far from the truth must be addressed head on. The goods and services tax will not hurt the regions of the country.

The goods and services tax will improve the position of the resource industries of Canada. It will help them invest. It will help them keep marginal mines open. It will help them export. These are all very important elements to the health of the northern parts of the country as well as the other regions of the country that are reliant on that type of industry.

The goods and services tax will improve, as I said a minute ago, the opportunities for new mines or new paper mills or new logging operations to go into place because the costs of bringing those in will be less, on

average, by about 4 per cent than is the case today. Surely the hon. member can understand that it will improve the capacity of the economy to bring those in. That, Mr. Speaker, is why we say that the goods and services tax will not be harmful to the regions of this country.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I would suggest the minister, as well as going to the Atlantic regions and the north, should also go to the prairie provinces. Agriculture Canada projects that Canadian farm incomes will drop by 40 per cent this year. High interest rates as well as the proposed goods and services tax is only increasing the burden.

There are an increasing number of farm foreclosures, and the minister knows this. But the government insists on proceeding with this new tax which will drive up prices to consumers and drive down prices to farmers.

Will the minister now recognize that he cannot reduce the deficit by throwing farmers further into debt? Do farmers have to turn themselves into corporations before they can be heard by this government?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as my colleague says, the Leader of the New Democratic Party does not know what she is talking about. I will make the same offer to her, namely, would she like a briefing on the goods and services tax so she will understand the things that she has just stated now are simply not true.

The tax on inputs to farmers will be totally removed. There are taxes on inputs today. Therefore, the farmers will be better off from that standpoint.

The cost of food to all Canadians, because there will be a removal of all the input taxes on packaging, on transportation, on fuels, and so on will be reduced and the costs for those people who are producing food will be reduced. Again, that is something helpful to the farmers.

Those farmers who export today are carrying an indirect tax, a hidden tax on the exports that they make. The goods and services tax will remove that tax on the export sales that they make, so that again, in the third way, the tax will be beneficial to those farmers who are exporting. Surely, if the hon. member would take the time and be honest with herself, she would understand that she is spreading mistruths about the goods and services tax.

* * *

[*Translation*]

LAY-OFFS

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Minister of Labour. The Minister must be aware of the fact that General Electric will close its light bulb plant in East Montreal on July 13. I would like to know what action the Minister has taken or intends to take, to persuade the company to reverse a decision that will do away with about 200 jobs, mostly held by women with over 20 years of seniority, who have little or no hope of retraining for new jobs.

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I don't think the Department of Labour has been officially advised of this plant closing but, as soon as we are, we will ensure there has been compliance with the regulations under the Canada Labour Code. We will also ensure that those responsible for the plant closing take steps to apply under POWA, a program for older workers.

As far as relocating these people to other jobs is concerned, I can inform the hon. member that for the past year, we and our colleagues at the municipal and federal level have been working with a very active organization in East Montreal, the *Association Pro-Est*, whose activities include ensuring that workers who have been displaced can find work in another plant.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I am very disappointed in the Minister's reply, because what is needed is not an attempt to provide compensatory programs or unemployment insurance for these workers who are going to lose their jobs. We need action by the Minister himself, who is supposed to be responsible for the economic sector in Montreal. These workers want to keep their jobs. They want to stay at the plant. Is the Minister prepared to approach the company and persuade it to keep its plant open in Montreal? That is the kind of action we would like to see by the Minister. I am sure he is aware, and I will ask him outright, does he know that most of these jobs will be transferred to the United States? Is he prepared to let Canadian jobs be transferred to the United States and let American

garbage come in Canada? Is that the kind of free trade the Minister has in mind?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I notice that the hon. member for Papineau—Saint-Michel, who lives in Ottawa, is not very knowledgeable about what is happening in East Montreal. The government I represent has provided more than $13 million worth of investment in new industries and of existing industries through its industrial revitalization program for East Montreal during the past year. The program has also attracted investment by the private sector totalling more than $70 million. I think it makes much better sense and is much better for a region's economy when a government helps thriving businesses come in instead of trying to support businesses that cannot pay their way.

* * *

• (1140)

BURIAL OF U.S. WASTE

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, in the absence of the Prime Minister and the Minister of the Environment, my question is for the Deputy Prime Minister. Yesterday, the Minister of the Environment accused his provincial counterpart of being inconsistent because it only costs $12.50 to bury a ton of garbage in Quebec compared with $100 in the United States. Do the government and the Minister of the Environment suggest increasing the cost to $100 so that Quebec municipalities will pay the same as in the United States? Is he serious? That statement is outrageous. Therefore I call upon the Deputy Prime Minister to ask the Minister of the Environment to withdraw that absurd statement, because his proposal would increase taxes to a level unacceptable to Quebecers. Mr. Bouchard, are you listening to me?

[*English*]

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, my hon. colleague announced yesterday that he would review a ban on the importation of garbage and any dangerous substances that have crossed the border. My colleague, the Hon. Minister of National Revenue, announced in a departmental co-operation the development of a memorandum of understanding that will allow us to strengthen our monitoring procedures to stop these waste substances coming from the United States. That is all I heard my hon. colleague say yesterday, and I think it is in the spirit in which the hon. member wishes us to proceed.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my supplementary is for the Deputy Prime Minister. When will the federal government start doing its job instead of always making absurd demands on the Quebec government. We have been told that legislation and regulations will be forthcoming. When? When will he really understand that American waste is not welcome in Canada? If you truly intend to introduce a bill, when can we expect it?

[*English*]

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, let me provide my hon. friend with some startling facts. There have been movements of garbage, not just from the United States to waste sites in Canada but the other way around as well. As I have told the hon. member, it is the intention of the federal government to work co-operatively with the provinces which have, after all, the regulatory authority.

I understand that the province of Quebec has banned all the importation of waste substances to that province. I would assume that other provinces will follow, and when they do, they will, of course, have to desist from moving their own garbage across the border to sites that are more convenient and perhaps less costly in terms of transportation of these materials.

We intend to co-operate with the provinces to catch any rascal that will continue to do what is not acceptable to us in Canada.

* * *

[*Translation*]

TOXIC WASTE

M. Cid Samson (Timmins—Chapleau): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Deputy Prime Minister.

The people of Saint-Basile-le-Grand, a community that was so tragically affected by the PCB disaster on August 23, 1988, are still living with 130 containers of toxic waste in their environment, at this very moment.

Mr. Speaker, on November 15, 1988, the town council of Saint-Basile-le-Grand, in a letter addressed and delivered personally to the Minister of Transport, requested that the government in Ottawa use federal land to dispose of this toxic waste.

Saint-Basile-le-Grand is still waiting for a reply from the government. Could the Prime Minister or the Deputy Prime Minister inform the House when the government will be able to respond favourably to the request from Saint-Basile-le-Grand and what it intends to do?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the hon. member must know that disposing of the PCBs at Saint-Basile-le-Grand is basically the responsibility of the government of Quebec. The federal government is willing to respect that fact but, nevertheless, has been working, and I am thinking more specifically of my colleague at the Department of the Environment, with the government of Quebec. It will continue to do so, and depending on what the government of Quebec decides to do and what its demands are, the federal government will act in terms of these respective jurisdictions, especially at the Department of Transport, because, I repeat, transport is one thing, while where the PCBs are stored is a provincial responsibility.

M. Cid Sampson (Timmins—Chapleau): Mr. Speaker, my question is again directed to the Deputy Prime Minister.

According to reports published in Chambly area newspapers shortly after the disaster, the Minister of Transport promised, on behalf of the Prime Minister, that the government would provide financial assistance to the municipality of Saint-Basile-le-Grand, matching any amount paid by the government of Quebec. I may add, Mr. Speaker, and I will quote from a report in the newspaper:

"The Prime Minister also announced that he was prepared to double provincial contributions according to the formula provided in the federal Emergency Measures Act, as the government did in the case of the tornado that struck Edmonton in 1986".

So far, Quebec has paid Saint-Basile-le-Grand $658,607, the total bill being nearly $2 million.

Could the Deputy Prime Minister inform the House why he did not keep his promises to the people of Saint-Basile-le-Grand?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, a few hours after the disaster at Saint-Basile-le-Grand, I went there, on behalf of the government, to give the people guarantees that the federal government would be directly involved with the government of Quebec in this matter.

My colleague ought to know, if he bothered to get the information from the government of Quebec, that my colleague at the Department of the Environment specified what the federal government's participation would be in terms of compensation—

Some hon. members: —oh, oh!

Mr. Bouchard: —yes I know, the Leader of the New Democratic Party wrote to the government. The matter is being discussed with the government of Quebec, but we must tread carefully.

Meanwhile, I think the people in the riding of Chambly would rather hear what the Leader of the New Democratic Party has to say about her position on the Meech Lake Accord.

* * *

[*English*]

TRACKER AIRCRAFT

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the Minister of Fisheries. The government is in the process of tendering the mid-range tracker surveillance to the private sector at a stated cost of $28 million over five years, a tender which people in the industry say will cost as much as $60 million.

Why is the government going to tender at all when it already has a proposal which can do the job for $14 million? In fact, why is the government closing CFB Summerside if it is prepared to pay private industry $50 million to $60 million for a job that DND now does for half that amount?

• (1150)

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member knows that some months ago, the Department of National Defence decided to decommission the Tracker patrol aircraft from service. These aircraft are very old and will in time be replaced by appropriate and more modern aircraft. They

are not nearly as suited to fisheries patrol work as modern pressurized aircraft with proper up-to-date electronic gear for identification, localizing and helping in the apprehension of fishing vessels that violate our fishing regulations.

For all these reasons, we have gone through the normal tendering process to seek public tenders for a service which we estimate will cost some $28 million over the next five-year period to replace those Tracker aircraft. We believe that we will get the best service money can buy for that amount.

Mr. Joe McGuire (Egmont): Mr. Speaker, my supplementary question is directed to the same minister. There are people in the industry now doing the Tracker refits who say that with the Tracker air frame, the Tracker is by far the most superior aircraft that can do the job.

The minister has received a proposal from the IMP group which would see the Tracker squadron taken over by that company, crewed by an air reserve squadron and operating out of Summerside at a cost of $12 million to $14 million. That proposal was sent to the minister last December and the proposal has not been responded to.

Why has the minister totally ignored this proposal from a company that is expert with the Tracker aircraft and whose proposal would establish the foundation of an aeronautical industry for Summerside? Or is Summerside being blacklisted by this government?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I understand the concern that the hon. member and all members of this House have for the circumstances in Summerside which result from the closing of CFB Summerside. However, the hon. member should not pretend or lead his constituents to presume that we could replace the closing of that base by mere maintenance of the fisheries patrol activity from Summerside.

The specifications for the modern patrol service that we require, not a 1960s style patrol service but a 1990s style fisheries patrol service, have been drawn up to take into account the best aircraft capability including pressurization, on-board radar and other equipment that will be required to do a good job.

I have every confidence that the service which is successful in winning this tender will be the very best we can find in Canada.

* * *

CFB SUMMERSIDE

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Deputy Prime Minister. Last Tuesday, the Prime Minister told this House that every time he visits Atlantic Canada he commits this government to something constructive and useful for Atlantic Canadians. It is apparent that the Prime Minister has not visited Prince Edward Island for some time.

The people of my province have waited since the April budget announcement for this government to take responsibility for its decision to close CFB Summerside. Last week, the Prime Minister's inner cabinet met to discuss alternatives for CFB Summerside.

When is this government going to make an announcement of a firm commitment of jobs for the Summerside area?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, perhaps the hon. member should be reminded that CFB Summerside is not yet closed. It is still in operation. She should also be reminded to listen to her Premier who announced yesterday how pleased he was with the co-operation he received from the federal government in helping to bring about the announcement by Cavendish Farms in that region of the province which will be very important.

She should also be aware, as the Prime Minister has indicated and as she alluded to in her question, that there is a committee of cabinet looking at what can be done to ease the changes occurring as a result of the DND decisions. She will, I am sure, when she sees the whole picture be very pleased with the result.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am certainly well aware that the base is not closed. We all hope that it will not be closed, but this is a very serious matter on Prince Edward Island. If it is closed, it

means we will lose $60 million from the economy and 1,300 direct jobs.

My supplementary question is directed to the same minister. The town of Summerside has been waiting for nine months for this decision. The business and investment confidence in that whole community is dropping every day because of a lack of commitment from this government.

Will the government make a firm commitment today, assuming the base is closed, that it will restore the economy of Summerside to where it was dollar for dollar before that announcement of April 27?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the announcement yesterday by Cavendish for an investment of up to $80 million without any federal or provincial contribution is an indication that those who are investing their own money have tremendous confidence in P.E.I. and in the economy there. I do not understand why the opposition finds it so useful to continually talk doom and gloom when those who are investing their own money do not have that same view at all.

Second, change is regrettable but change is inevitable. Every year in Canada, on average 100,000 corporations disappear and 130,000 new corporations are created. Four million people change jobs. Those things happen.

For the opposition to continue to say, "Please prevent any change from occurring ever in our areas. Please step in and stop change," is for us to stand still in time and that is impossible as well as being a silly thing to do.

We are addressing the situation there. We have extensive programs to help people who are ill-affected by change. We have extensive regional development programs. We have an agency in Moncton newly established. It has a tremendous track record of helping Atlantic Canada. We are paying attention to the problem.

We would ask the opposition to co-operate to see that we make the change beneficial instead of saying at all times, "Stop all change." That is not possible. It is not wise.

TRANSPORTATION OF TOXIC WASTE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday we learned of the illegal waste imports into Quebec. Today I have to report to the House that I have learned that a U.S. company is once more planning to ship toxic material to Detroit and across the Detroit River to Windsor.

The Minister of the Environment and the Minister of Transport have both written to me indicating they have no jurisdiction in this matter. I want to ask the Minister of Transport how this can possibly be true when these barge operations will take place across a busy international waterway and when, in fact, the guidelines for environmental assessment indicate that these guidelines are to be applied in the case of anything in which the federal jurisdiction, that is, international waterways will be affected.

How can this be true that this ministry and the Ministry of the Environment have no jurisdiction in this serious matter?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, if I well understand the question, my friend talks about planning to do something. I am sorry, but I do not believe that either the Minister of the Environment or myself could deal with something which could be a possibility. I would prefer if my friend could give me some certainty at a time when, along with the Minister of the Environment, I will be able to deal with that.

• (1200)

The way I heard and understood the question, it is a possibility the American company plans to do something. I would prefer to have more certitude before answering that kind of question.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in this case the company has already had informal discussions with the Department of National Revenue and the Customs people about the shifting of Customs officers to this new private dock which they intend to use for these cross river shipments.

We are talking about something which is very much in the works. I want this government to make a commitment that it will not be prepared to simply let this happen, that this environmental danger, especially to people down river in my constituency, will be forced to undergo environmental review procedures such as any

significant project that people in federal jurisdictions should have to face.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I do not say that the question is not relevant. I say that the question is premature. The government will consider very seriously that kind of matter.

My friend said that they started with informal discussions. As far as the government and I are concerned, it is not sufficiently specific to be able to give the appropriate answer. As soon as the company will be more specific, I believe the Minister of the Environment and myself will be more able to answer what I consider to be a relevant question.

Mr. Deputy Speaker: I am sure the House would not want to close Question Period before hearing from the member for Gander—Grand Falls.

* * *

AIR TRAFFIC CONTROLLERS

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the Government of Canada has decided to hire American air traffic controllers not only at Pearson International but at other centres throughout Canada.

In Newfoundland, according to the internal memo that I have here, the government is going to hire 20 Americans with fat contracts paying them more than Canadian controllers get to go our job starved province of Newfoundland.

Because the memo says that they are going to be hired next week, will the Minister of Transport intervene and cancel these contracts to Americans who are taking highly paid Public Service jobs that Canadians want and need? I have met with the Canadian Air Traffic Controllers Association. It says we can solve the problem here.

Why is that under this government the Americans are always flying high while Canadians are grounded?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would like to say to my friend that I am aware that the Gander centre for air traffic controllers is understaffed. We are taking that into very serious consideration. As a matter of fact, we have 18 students on site training in Gander; 10 from Newfoundland and 8 from the other Atlantic provinces.

I also met Mr. Fisher from CATCA and he is supposed to provide me with a list of 52 people who are ready to move from Atlantic Canada and elsewhere to Gander. If I can get that list we will consider that very seriously.

In the meantime, my friend knows very well that safety is the priority of the department and we have to staff Gander in any event. Of course we will give priority to Canadians, but we will also give priority to safety.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the solution that the minister just mentioned is the solution that I have been suggesting for a long time. It is not only Gander. It is Vancouver and Montreal, if they could get away with it, but in Montreal you have to speak French as well as English.

[*Translation*]

Montreal now needs 30 more bilingual controllers.

My question is for the minister responsible for the decisions to hire Americans. What will the government do in Montreal now? Will they look for Cajuns from Louisiana?

[*English*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first I would like to compliment my friend on his French. He is so good that I will recommend him for a job as an air traffic controller in Montreal.

[*Translation*]

Mr. Speaker, the situation in Montreal is different from Gander, because we are now able, within the resources we have in Quebec, since no control tower is short-staffed, to find enough controllers from among Quebec applicants to meet Montreal's requirements while the students are in training. The group which starts training in Cornwall this spring is francophone and while these young people are being trained, we will have enough people within the Province of Quebec to satisfy—

Once again, this time in French, I would like to compliment my colleague for learning French. I think it is extremely important. Again, we appreciate it a lot.

[*English*]

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Rod Murphy (Churchill): Mr. Speaker, during Question Period today when our leader, the hon. member for Yukon, was asking a question about the devastating situation with regard to the farming industry in western Canada, I distinctly heard the Minister of Supply and Services use the words "bullshit" and "lie" with regard to her remarks.

I recognize that from time to time in this House we disagree with the veracity of a statement or we disagree with the interpretation of an economic situation in this country. That is certainly within the bounds of Parliament.

However I think there has been a rising level of heckling taking place over the last few weeks with regard to our leader in the House. I believe that the Minister of Supply and Services has overstepped the bounds of parliamentary dignity.

I quote from Citation 320 at page 105 of Beauchesne's that the word "bullshit" is not acceptable. That is with regard to *Debates* of September 19, 1973, page 6736.

Mr. Speaker, when you have the time and if you wish to refer to page 107 of Beauchesne's, you will see that the word "lie" is mentioned. The use of the word "lie" is listed on page 108. For your edification, Mr. Speaker, the references refer to *Debates*, April 23, 1959; *Debates*, May 27, 1959; January 5, 1960; March 1, 1960; June 1, 1960; June 10, 1960; August 5, 1960—a very active year—February 20, 1961; June 26, 1961; September 14, 1961; February 22, 1962; November 15, 1962; October 18, 1963; October 7, 1964; November 3, 1964; December 4, 1964; December 10, 1964; December 10, 1964 again—

Mr. Deputy Speaker: Order, please. I get the point of the member's invention. Does the minister wish to reply?

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, the hon. member has adequately proven to me that these words have been used frequently in the House of Commons. I do recognize, though, that under Beauchesne's they are deemed as being unparliamentary.

I guess I was driven to using the point of using this unparliamentary language by the complete inaccuracy of the statements put forth by the Leader of the New Democratic Party. Its members did that in the last election campaign. They were roundly defeated when they said that about medicare and about social programs under the free trade agreement. They persist on using inaccurate, fallacious information which absolutely devastates any arguments they are trying to make.

I do recognize that those words may have been out of order in the situation. I would withdraw them, but I would hope that the hon. leader would try to learn something about the GST.

• (1210)

Mr. Deputy Speaker: The member has withdrawn.

* * *

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' BUSINESS—MOTIONS

Mr. Deputy Speaker: I have received a written notice from the hon. member for North Island—Powell River that he is unable to move his motion during the hour provided for Private Members' Business on Monday, January 29, 1990.

[*Translation*]

Since it was not possible to switch places on the priority list, pursuant to Standing Order 94, I order the Clerk to move this item to the bottom of the priority list.

The time for Private Members' Business will therefore be cancelled, pursuant to Standing Order 94.

[*English*]

Since there will be nothing before the House at one o'clock, the sitting will have to be suspended after prayers until two o'clock. Does that pose a problem for the House?

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, in light of the fact that the member who was to move a motion under Private Members' Business on Monday cannot attend, I think that you would find there is consent for the following motion:

That, notwithstanding any Standing Order of the House, on Monday, January 29, 1990 the House meets at two o'clock p.m. for

"Statements by Members", followed by "Oral Questions" and the remaining order of business as provided for Mondays.

Mr. Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The hon. member for Regina—Lumsden on a point of order.

* * *

POINT OF ORDER

REMARKS OF MINISTER

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I believe that the precedents and the requirements for any kind of withdrawal or apology to the House of Commons must be unequivocal and straightforward with no qualifications. I do not believe that the remarks of the hon. minister who just tried to make some kind of an apology and withdrawal meets those requirements.

Hon. Paul Dick (Minister of Supply and Services): Mr. Speaker, I thought I was very clear in withdrawing those unparliamentary words which have been so frequently used in this place and at the same time pointed out that perhaps they should speak the truth fully.

Mr. Benjamin: That's a qualification.

Mr. Murphy: That's not acceptable.

Mr. Deputy Speaker: The Chair accepts the words of the minister.

ROUTINE PROCEEDINGS

[*English*]

BILL C-62

TABLING OF GOODS AND SERVICES TAX TECHNICAL PAPER

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I rise today, pursuant to Standing Order 32(2), to table, in both official languages, a document entitled "Goods and Services Tax Technical Paper".

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 59 petitions.

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

* * *

EMPLOYMENT EQUITY

STATEMENT BY MINISTER

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I rise today with what I know will be welcome news for all those members of this House who share this government's commitment to the principle of equal pay for work of equal value.

As members may recall, in the Speech from the Throne in 1984 the Prime Minister committed this government to achieving equal pay for work of equal value in the federal Public Service as an integral step leading to the full economic equality of women.

[*Translation*]

In line with this objective, the government has already introduced many measures to achieve employment equity, such as increasing the percentage of women in the federal government and its agencies, boards and commissions, and ensuring that women are involved in decision-making at all administrative levels.

Equal pay for work of equal value is also an essential condition if the government is to manage its operations more effectively. To do so, the government must acknowledge the contribution of public service employees. It must treat them fairly and promote a high level of job satisfaction and a healthy team spirit, if they are to serve Canadians with the requisite professional expertise and dedication.

This new decision will reinforce the project referred to as "Public Service 2000", announced by the Prime Minister (Mr. Mulroney) last December. Its goal is to ensure that Canadians have the best-managed public service there is.

Mr. Speaker, we have made great progress in achieving our employment equity objective. We have launched a program aimed at streamlining administrative procedures and letting managers manage the resources at their disposal. The government has agreed on a host of other measures to manage government more effectively and reduce social and economic inequalities.

[*English*]

Today, Mr. Speaker, I want to describe our actions to implement equal pay for work of equal value in the federal Public Service. In practical terms, equal pay for work of equal value means the elimination of inequities in pay between workers in female dominated occupational groups and workers in male dominated groups.

In March 1985 I established a joint union-management committee to look at the means through which gender based equities in pay could be corrected. The objective was to develop a methodology to identify and quantify those inequities and to make recommendations on how to redress them in a proactive manner throughout the federal Public Service.

At that time all 13 Public Service unions accepted my invitation to participate with Treasury Board officials on the committee and worked co-operatively toward that common objective. In addition, officials from the Canadian Human Rights Commission participated as observors.

As this House can appreciate, assessing gender based inequities in pay across the entire federal Public Service is a very complex task. There are some 220,000 federal public servants in addition to the Canadian Armed Forces and the RCMP. They are 70 different occupational groups, 53 of which are assessed by the committee as being male dominated and 9 as female dominated.

[*Translation*]

In fact, Mr. Speaker, I am told this pay equity study is the largest of its kind ever conducted anywhere in the world. Obviously, it was not possible to assess every position in each of these occupational groups. Through the efforts of the committee and the assistance of independent consultants, a methodology was established that all agreed would be statistically sound and produce valid results.

In total, 4,419 employees were surveyed and 3,200 positions were analyzed by nine evaluation committees against the criteria established by the consultants selected by the Joint Union-Management committee. These consultants have participated in all aspects of the committee's work. Their work is now complete, although they have identified continuing apparent gender bias in some of the job evaluations.

[*English*]

Treasury Board and the Canadian Human Rights Commission have concurred that some further analysis is required to clarify these situations, but these adjustments are not of a nature or scope that would justify further delays in government action. Since the government believes that the public interest will be best served by moving forward, I am announcing today that the federal government will implement equal pay for equal value adjustments immediately.

These adjustments will come in two phases and affect approximately 70,000 federal public servants. The first phase has an immediate cost to the federal government of approximately $317 million in retroactive lump sum payments to those affected by past and current inequities. These retroactive payments will be made to all affected employees as quickly as possible.

The second phase involves about $76 million in annual salary adjustments in order to equalize pay rates between persons in female dominated occupations and those in male dominated occupations. These adjustments will be effective April 1 of this year.

As I indicated earlier, the process involved in identifying and analysing pay discrimination within the Public Service has been a lengthy and a complex one. When we started the process we had hopes that we could complete it in a relatively short period of time. While this did not prove to be the case, this government does not believe

that those public servants affected by pay discrimination, male as well as female, should be forced to shoulder the burden of any further inevitable delays.

• (1220)

Therefore, I am announcing today that the lump sum settlement payments will be made retroactive to March 31, 1985, the month in which I announced the establishment of the joint union–management committee. I believe this is fair to the employees concerned and consistent with the spirit of natural justice to which our government is committed.

In real terms, this represents a retroactive payment that averages approximately $4,800 per person affected, and these employees reside in communities from one end of the country to the other.

[*Translation*]

That is just an average, and does not reflect individual circumstances in specific positions. All levels of each occupational group will receive the same amount, and we will make strenuous efforts to deliver back pay cheques as soon as possible in the next few months. This means, for example, that a secretary working in a point-of-entry customs office could receive up to $5,900 or a clerk working in an Environment Canada district office could receive up to $3,500.

Decisions being announced today will involve adjustments for four of the nine female-dominated groups. The 70,000 employees belonging to these four groups represent more than 90 per cent of all employees in female-dominated groups. It appears that the work of a fifth group, data processing, was not under-valued. The four remaining groups have already received equal pay for work of equal value adjustments.

Mr. Speaker, as I pointed out earlier, although a number of lesser points remain to be settled before the committee can finalize its work, there was obviously a case for immediate action.

I want to give the House the assurance that although we are acting now, this does not prejudge any conclusions that might be reached by the Canadian Human Rights Commission on matters that are pending.

I want to make it very clear today that I am announcing entitlements based upon an independent assessment of what these jobs are worth, in relation to other jobs of equal and similar value. They reflect the law of the land and our commitment to applying fairly the principle of equal pay for work of equal value.

[*English*]

It is my belief that all members of this House will applaud the initiative that I am announcing today. I am convinced that this demonstration of our commitment will send the right signal to all employers across this country, whether or not they fall under federal jurisdiction. We are serious about equal pay for work of equal value and we will continue to do our utmost to improve the economic equality of women in this country.

Implementing equal pay for work of equal value in business, in industry and in government is necessary for economic progress. But, more than that, it is a critical social issue of national importance. We cannot move forward as a nation unless we are willing to move forward together as a nation of equals.

Economic discrimination between men and women cannot be tolerated. It is an affront to the value that we as Canadians espouse; it runs contrary to the goals that we all share; and it limits the ability of every Canadian to give what they have to offer to build a future for the nation as a whole.

As I said earlier, ending economic discrimination and ensuring the full participation of women in Canadian society have been basic goals of this government since 1984. Because of this commitment I believe that it is incumbent upon this government to demonstrate leadership and make progress wherever possible, and it is in this spirit that I am making this announcement today. To delay any further, to wait until all the i's are dotted and the t's crossed, does not demonstrate that spirit and does not demonstrate leadership.

[*Translation*]

Mr. Speaker, I believe this settlement is a reasonable one based as it is upon a statistically-sound methodology and will be welcomed by those affected, especially women in the public service. Public servants, no matter

what any group might say to the contrary, are committed to serving the nation. In return, the nation must treat public servants with fairness, with equity and with the same respect for the law which the government demands from all participants in our society.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, while I do indeed applaud the minister's words, as I have many times in this House, I regret that the actions do not always match the words. Certainly we support and welcome any initiative toward economic justice, equal pay for work of equal value, employment equity, and, as the minister said, basic equality in our society and marching forward into the future on a fully equal basis between men and women.

Nonetheless, I welcome this first hopeful, if tentative, step toward finally paying 70,000 people who work for the people of Canada what their work is really worth.

It has been a privilege to stand in this House half a dozen times since last spring and raise the long outstanding promise and the failure of this government to implement pay equity. On virtually every occasion that I have spoken in this House on any employment or human rights issue, the government has been taken to task for its failure to bring its treatment of workers into conformity, not with some ideal principle but with the Charter of Rights and Freedoms of this country.

My colleagues on numerous occasions have reminded the government of its obligation to pay people an income that matches the value of the work they do, not based on their gender.

Through this fall we have seen three strikes with horrendous economic and human costs because the government has treated basic justice as something to be used as a bargaining chip at the negotiating table. We have seen contempt for a decision of the Human Rights Commission. We have seen the withholding of money to which people are entitled until they are forced into a settlement of a contract the government has been unable to negotiate in two years.

Even today, in this action which is justice delayed and finally under way, we see a unilateral action and a failure to make a commitment to proceeding to implement fully the results of the study to date.

I suspect that once again, although I welcome the specifics of the announcement, the government is acting not out of a commitment to fairness and justice but out of a very realistic recognition that the major union involved in the study of pay equity has withdrawn out of frustration and in fact intends to take several cases back before the Public Service Staff Relations Boards and the Canadian Human Rights Commission.

I suspect that with the suspension of this action cases now before the Human Rights Commission that were simply suspended in action while the study was going on may be reactivated. I remind the House that we are talking about 50,000 underpaid workers who launched the case with the Canadian Human Rights Commission several years ago and a thousand or more nursing employees who have a similar case before the commission.

Having let the talks lapse, having failed to come to some agreement and some commitment as part of that joint union–management study that the results of the study would be accepted and there would be a short timetable for implementation, the minister is now arriving like Santa Claus and handing out goodies as if they were some kind of largess from the government, when really all these hundreds of millions of dollars represent is injustice that is finally starting to be righted, money that they were entitled to for many, many years.

I want to look at this announcement very carefully and compare it with what in fact has been coming out of the study of positions. If we go back to the Human Rights Commission case of the hospital workers we find that each hospital worker was entitled not to something in the neighbour of $3,000 or $4,000 but on average to $10,000 each over the period of time.

• (1230)

Estimates have been made that implementing the employment equity study would cost in the neighbourhood of between $200 million to $300 million annually, not retroactively over five years. Thus I want to have a very close look at this. I want to assure the minister that the pressure is still on to make sure that full and complete pay equity throughout the Public Service is implemented, that this is an interim step in the right

direction but that until people have a wage classification that reflects the value of their work we do not have justice in the Public Service of Canada.

Let the minister be under no illusion. The people who receive this cash will welcome it. They need it because they are among the lowest paid employees of the Government of Canada in many cases.

Let there be no misunderstanding that that will not dampen their fervour for full justice in the pay cheques they receive, not token equalization payments but full justice in their salaries and in their classification, a full recognition that their work has value to the people of Canada and that it will be paid for equitably.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I too welcome the statement of the President of Treasury Board today. It is certainly a step in the right direction. I am fearful that it does not go far enough. It sounds like a lot of money when we hear the figure $76 million. But we all must remember that this is money that these women have earned over the years. In fact, because of the lack of pay equity it is money out of which they have been cheated.

I would like to ask the minister a couple of questions about what he said today. I will just present them and see if we can follow up on them later.

Will these equalization payments be taxed at a higher rate? Some of the undervalued occupational groups will not receive these equalization payments, if I understand what the minister said. He indicated word processors. This is undervalued women's work. It sounds like it will continue to be undervalued. Equalization payments should be reflected in salaries that women receive and not a separate payment.

This week the Public Service Alliance of Canada withdrew from the joint union–management pay equity study. Reports on the news indicate that they felt that they had struggled for five years. The Public Service Alliance Vice-President said that the study was becoming a farce.

In the face of a major public campaign by the alliance for pay equity there was a possibility that 80,000 complaints would be filed with the Human Rights Commission. I wonder if this is why the government is now responding. Is it fearful of those complaints being raised with the Human Rights Commission? Women have experienced pay discrimination within the Public Service of Canada ever since the Public Service was first formed.

Pay discrimination exists in every occupational group that is made up mostly of women. The government is proposing retroactive payments to March of 1985, but I do not see any time frame in the statement by the minister.

When will they receive this money? Will it come this month? Will it come next month? Will it come next year? The record of the government has not been good on this. The minister said that there are still some minor issues that are yet to be resolved. What are these minor issues? Are they really minor issues?

This is the same government that has legislated female hospital workers back to work instead of dealing with their demand for equal pay for work of equal value, which is their right.

I would like to ask the President of the Treasury Board, what about these workers? Are they going to be dealt with? When are they going to benefit? When are they going to be treated equally, fairly and equitably on their demands for equal pay for work of equal value?

The Minister mentioned progress toward employment equity. Employment equity is not pay equity. His own colleague in the House of Commons, the Minister of State for Employment and Immigration, said in the House just this week that there has been very little progress made toward employment equity, which is a separate matter from pay equity.

The women in Canada make up the majority of the poor. If the minister is really serious about improving economic equality for women in this country, and if this government were really serious about improving the conditions and the equality of women in Canada, it would reindex family allowance which has been deindexed. It would raise old age security benefits for all older Canadians, as well as the guaranteed income supplement. Women make up the majority of the poor in this country. Elderly women make up the majority of the poor elderly.

I agree with the statement of the minister that we cannot move together forward as a nation unless we are prepared to move forward together as a nation of equals. I appreciate the minister's comments. It is very true that we must all work toward this goal. To become a nation of

equals we must really believe in equality. We must act on it always, not just when we are forced to.

Ms. Mitchell: Mr. Speaker, I rise on a point of order to ask for unanimous consent of the House to ask a related question of the minister.

I want to commend him for some of the steps that have been taken today, while I also support very strongly the position raised by my colleague.

The question I would like unanimous consent to ask has to do with systemic discrimination that continues in the Public Service against the employment of visible minorities. I am sure the minister knows that his government target for hiring minorities is far below the rate of participation of such people in the regular workforce. Even with such a low target, only a little over 1 per cent of federal employees are people of colour.

Mr. Deputy Speaker: Is there unanimous consent?

Mr. Cooper: Mr. Speaker, I understand that the question involved is not directly related to the subject.

My second concern is that the longstanding tradition of the House concerning statements is a very important one. To have us add to a statement a period for questions would be a very unusual precedent, one that I am sure most members in the House would not want to accept. So we would decline.

Mrs. Catterall: Mr. Speaker, I rise on the same point of order.

The request is highly unusual and, I think, highly unfair to the House. There is a period set aside every day for questions to the minister. If we want to enter into debate there is a way to have a debate, one in which all parties can participate.

I really must respond to the point raised by the member opposite who thinks that employment equity is a separate issue from pay equity. I am afraid he is quite wrong. He had better get himself a little better informed.

Mr. Deputy Speaker: That sounds like a matter for debate.

Routine Proceedings

STRIKING COMMITTEE

TWENTY-NINTH AND THIRTIETH REPORTS OF STANDING COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have the honour to present the twenty-ninth report of the Striking Committee.

While I am on my feet, I have the honour to present the thirtieth report of the Striking Committee.

If the House gives its consent, I intend to move concurrence in the report later this day. I would ask that we dispense with the reading of the report by the Clerk at the table as that report concerns only membership changes to committees.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

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

* * *

• (1240)

PUBLIC ACCOUNTS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I move concurrence in the third report of the Standing Committee on Public Accounts presented to the House.

Under ordinary circumstances the tradition has been to notify those members of the Public Accounts Committee that I was going to move concurrence in this particular report. However, the member for Swift Current—Maple Creek—Assiniboia and the member for Renfrew—Nipissing—Pembroke are not in the House—

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member.

The hon. member for Saskatoon—Humboldt has the floor for a motion to concur in the third report of the Standing Committee on Public Accounts.

Is there agreement that the House will concur in the thirtieth report of the Striking Committee presented by the hon. member for Peace River?

Some hon. Members: Agreed.

Mr. Hovdebo: The member for Swift Current—Maple Creek—Assiniboia and the member for Renfrew—Nipissing—Pembroke, who are the two members of the steering committee, were not in the House this morning so I was unable to contact them. I am proceeding with this concurrence motion in the hope that should they want to put remarks, they may do so at some time in the future.

The third report of the Public Accounts Committee deals with the Auditor General's comments on the agricultural report of 1988 regarding the development of a number of issues on which he felt, or his office felt, the effectiveness of the Department of Agriculture needed to be questioned.

Since I have spent a considerable amount of my life and my time here in the House dealing with agricultural issues, I want to move concurrence at this time. I do so because there are a number of issues dealing with food safety, the disease of animals and pesticide control. The information that is given to Parliament and which is discussed in this particular report are going to make or can make a difference in what happens relative to the agricultural industry in the next little while.

I think everybody in this House recognizes that the agricultural industry across Canada is feeling the effects of a recession which is not necessarily felt in many other parts of the economy. It is a recession which indicates that during the next few years, or the next year alone, we will have in Saskatchewan a 101 per cent reduction in income. For the first time since the 1930s the farmers of Saskatchewan will receive less income than they will pay out in costs. In other words, they will have on a general basis a negative income. Very few farmers will make more than they will pay out in costs of operation.

There is a need to bring this matter to the attention of this government. I am doing that by asking Parliament to concur in something which would assist in having the limelight focused on the difficulties of agriculture in the next year or at present.

The Auditor General in his report called upon the department to strengthen the food inspection practices. The theme of his audit findings was the need to assess the risks. He felt and expressed very articulately that although there was a considerable amount of money being spent on food safety, there was no priority to make sure that those items which were the most dangerous to the safety of the people of Canada were getting the kind of priority that they should.

As many of you will know, in 1984, 1985 and 1986, after the Nielsen report to this House, this government reduced the number of inspectors. It left the responsibility for the inspection and safety of foods more to those companies that are producing or processing the foods, especially in the case of meat but in other foods as well. The cost is now borne by the processor. Consequently, unless the specific requirements are stated and recognized as being needed, there is a danger of moving away from that. The Public Accounts Committee made reference to that but did not make a recommendation in that particular area.

Another area which is very close to the hearts of most Canadians these days is the area of pesticide regulations. You may know, Mr. Speaker, that there is a tremendous backlog of pesticide testing requests. These are pesticides which pose a threat to human health and the environment.

The process by which the government registers pesticides, although it is fairly adequate, has been backed up to such an extent that many pesticides are registered on a temporary basis to be allowed for use in the short term. It takes about three years for a pesticide to go through all the registration processes. Often, when they are renewed they are not put through the same level of testing as they were originally.

Quite often the impact of pesticides in our environment is cumulative. We do not know too much about them when they hit the environment. We find out later. If you look at the number of pesticides that were once quite common in our environment you will see that at the moment they are now banned because we did not really know what their effect was. Again, the committee concludes that there is a need for continued progress in addressing the backlog in pesticide testing, but also a need for the establishment of a workforce which will allow these testings to be completed more quickly.

The basic concern of this report and the part with respect to which the Public Accounts Committee made the most far-reaching recommendations dealt with the information which was available to Parliament as well as

to people who are conscious of agricultural development. It is information relative to the Estimates.

In 1980 when the Part IIIs were first brought in I was on the Public Accounts Committee. The members of the committee and the House had hoped that the Part IIIs of the Estimates would put before the people of Canada and Parliament in concise, practical and straightforward terms the kind of information which would allow Parliament to know exactly how the money estimated would be spent. The Part IIIs for each department and for each agency were to give that kind of information to the people of Canada and to this House.

• (1250)

The committee expressed some concern and made some specific recommendations regarding the Part IIIs. Although we at the time were dealing with the Part IIIs relative to agriculture, this terminology, these concerns, these recommendations could be taken to heart by almost every agency and every department that presently produces Part IIIs, which is every department and every agency in the government.

Those Part IIIs, when they came out, fulfilled the requirement to a certain extent. As the people within the departments and the agencies became more used to writing them and found that they were being used to look deeper into the operations of the department or the agency, they had a tendency to write a little more obliquely. Consequently, it was to the point where the committee felt that Part IIIs, particularly these agricultural Part IIIs, did not give the kind of information which we should expect them to have.

The committee presented its twelfth report which was tabled on December 17, 1981, in the Thirty-second Parliament. A motion for concurrence in that report was brought forward and passed by this House. At that time the Public Accounts Committee noted the need to provide procedures to ensure that the integrity, accuracy and consistency of information in Part IIIs was preserved and maintained.

In the same report the committee recognized the role of the Comptroller General in responding to these concerns. As you will know, Mr. Speaker, the Part IIIs are not the responsibility of the Auditor General but basically come from Treasury Board and the Comptroller General. Their quality is vetted by those departments.

The committee was told that more resources had been allocated to the highest priority areas, notably meat hygiene, pesticide control, control of plant and animal diseases and labour relations.

The committee then expected that it should be able to go to the Part IIIs and find out what was in them. That turned out to be almost impossible. What was actually in the Part IIIs was quite often less than was available before. Expenditures that appeared in one year did not appear in the next. Expenditures that were explained vaguely were not clarified in the next year, even if the clarification seemed consistent with understanding.

With the shift of resources there was not a parallel change in clear, consistent data. Expenditures and person-years, together with appropriate explanations in the text, identified the difference between one fiscal year and the second fiscal year. Sometimes we found that the amount put into the Estimates had been reduced considerably or increased considerably with no parallel indication of how those changes were going to affect the operation of the department.

Consequently, the committee made a number of recommendations relative to the Part IIIs. This I suppose to a certain extent is the basis for the belief that concurrence makes a certain amount of sense.

These are the recommendations. First, the committee recommends that the department ensure that the 1990-91 and future Part IIIs of the Estimates contain accurate, clear, consistent and complete information, notably in relation to the resource allocation and program results. We asked the department, in the case of agriculture, to give us information, a written progress report as soon as possible.

We also called upon the Comptroller General to respond to the problems raised by the committee and the Auditor General with regard to the Part IIIs and the Estimates in 1989-90 and earlier Parts IIIs.

We recommend that the Auditor General assess the responses to recommendations (b) and (c) above and report the findings to the committee.

The process of this committee delved into agriculture very seriously, but it was a process which I think and the committee thinks should be extended to as many departments as possible. This is a direction, I suppose, that we are suggesting be picked up by every department and

every agency which finds itself required to put before the public and before the House of Commons information regarding their programs in the Part IIIs of the Estimates.

The Part IIIs are well done. They are a great improvement over the huge blue book which you, Mr. Speaker, would have had when you first came to this House of Commons. However, after a while they have a tendency to disintegrate to a certain extent.

We made another series of recommendations in which I think this House should concur. Those recommendations relate to the control of animal and plant disease. These recommendations are mostly relative to export, but they could go much further than that if it was required by the Department of Agriculture.

At the moment, as far as the environment is concerned, we are being faced with a need to have very specific recommendations relative to the health of animals and animal disease. If you have been watching the news, you will have seen that there have been recommendations that the bison herd in Buffalo National Park in northern Alberta be slaughtered to ensure that there will not be a spread of brucellosis.

That is internal. We made recommendations in this report which I think should be concurred in, that the government give early consideration to the introduction of amendments to be sure that the imports of animals and plants be controlled better than it is. In the last little while I have had a lot to do with the importation of goats from Australia and I have found that you cannot bring goats into Canada from Australia because the regulations for such a procedure are not in place.

• (1300)

What we were talking about or recommending in this particular report is that those regulations to be put in place, reviewed, and brought up to date.

I call on the House to concur in the recommendations in this report that the Public Accounts Committee put before this House in the third report.

Mr. Riis: I, too, would like to support the suggestion that we concur in the report. It is an important report, as the hon. member for Saskatoon—Humboldt has outlined.

There are two points that I would like to—

Mr. Deputy Speaker: On a point of order, the hon. member for Peace River.

Mr. Cooper: I am not certain, but the way that the hon. member began his remarks led me to believe that he was entering into debate rather than questions or comments.

He is asking questions or making comments. That is fine then, Mr. Speaker. I just want to signal my intention to enter the debate.

Mr. Deputy Speaker: The Chair gave the floor to the member for Kamloops on questions and comments.

Mr. Riis: Perhaps my opening comments led my hon. friend to believe I was launching into a 20-minute speech. Such is not the case. However, I have two questions, one regarding sheep from Australia and another regarding deer from New Zealand.

Some time ago there was a project where people from Australia were intending to bring live lambs from New Zealand to the coast of British Columbia. At that point, they would be off-loaded on the coast of British Columbia and then fattened and raised in B.C. for eventual slaughtering and market.

One of the problems that this group faced was the whole matter of inspections and the fact that the lambs would be quarantined presumably for some time, and I am not certain of the details and that is part of the question to my hon. colleague.

This, I must say, caused a negative reaction from a number of the western sheep growers because they thought that this was a way of importing cheap lamb from Australia and would really provide some unfair marketing, as far as their own products were concerned.

I have a question for my hon. friend for Saskatoon—Humboldt first of all. Does he feel that the regulations, as they presently exist when it comes to sheep being imported into a country, need to be updated and brought into a more modern context to recognize the more recent diseases and some of the problems faced with increasing importation of live animals? Are there any

special problems that people who are interested in raising deer, fallow farms I think they are called, experience, particularly bringing in does and bucks from New Zealand?

Mr. Hovdebo: Part of the recommendations which the public accounts committee put before this House deal exactly with that question or are relative to that question, the need to amend the present regulations. We all agree that we have to be absolutely sure that no disease is brought in which we do not understand or recognize here, or any other disease that we have in this country. For instance, there are different kinds of brucellosis in Australia than there are in Canada.

At present the regulations for importing goats, sheep, and so on are specific, the idea being to keep them in quarantine long enough so that we can be sure that they are not carrying a disease. Even then it is a dangerous procedure. When an animal is brought in, it may have developed resistance or even be immune to certain kinds of diseases because it has been with a particular herd which has developed this immunity. The moment it is put with other animals, the disease then breaks out and you have it within your herd. There are intermediate quarantines which allow the animals to be put with the kinds of animals they are going to be living with after they are brought into the country so that if there is any possibility of the spread of disease it will be recognized.

The answer to the question is basically that it is not as simple as just saying we need new regulations. It is much more a matter of knowing for sure that we are not bringing in any diseases and knowing how to control those situations. It is a very complex structure.

[*Translation*]

Mr. Bellemare: Mr. Speaker, it is mostly a comment that I would like to make, since I am on the Committee.

Since we have very little time left for this question, I would like to raise the matter of the—

[*English*]

—third report of the Public Accounts Committee. I have grave concerns, as the report states, regarding the inspection of food.

One concern that I would like to add that is not written in the report is the fact that the government is now going to be permitting food irradiation, especially in the poultry field. With free trade in place we will see now the dismantling of the management of that particular industry and we will be getting poultry from the United States.

More importantly, I am concerned that there will be no labelling of food that is irradiated. I believe the consumer community should have the right to have food that is going to be irradiated labelled properly so that people may make a choice as to whether or not to buy irradiated poultry from a particular food chain. They should have a choice.

The government has assured me that there will be no health problems with food irradiation. However, I believe very strongly that we should label that part of the food so there would be a choice made by the consumer.

The recommendation in the report that more inspectors be hired is extremely important, again as it relates to food. We are responsible for the safety of our communities, and by constantly cutting the public service, the risk of having less inspectors is putting our communities at risk.

The previous speaker mentioned control of animal and plant disease. There were recommendations that we give early consideration to the introduction of amendments to the import control provisions of the plant quarantine and animal disease.

For example, in labour relations we need more training for inspectors. The committee was very concerned by the Auditor General's findings on employer–employee relations regarding the Food Inspection Branch.

[*Translation*]

Your Committee also noted the need to improve the training of food and plant inspectors at border stations. The Auditor General discovered, for example, that the veterinary technicians who perform the inspections do not receive thorough training in food science. The Department informed your Committee that it is allocating more resources for the technical training of inspectors and the further training of supervisors in surveillance techniques, which the Auditor General will mention in his follow-up report on this subject.

It is therefore important for the government to have the good sense to limit the cuts in its next budget and to ensure that we have adequate inspection for the protection of consumers.

• (1310)

[*English*]

Mr. Deputy Speaker: The member for Saskatoon—Humboldt has the floor and may reply to the comment.

Mr. Hovdebo: The member for Carleton—Gloucester has expanded on one of the concerns that the committee had at that particular time. If he has an opportunity to debate a little later on, I would appreciate hearing his views.

Things have changed considerably. Fifteen years ago, you could bring a bird into Canada by taking it into an agricultural station and having them look at it and they would accept it into Canada if it looked healthy. We have come a long way from that time and it has been very necessary in order to protect the health of our animals and birds.

But the idea of food inspection at the border is something which has not been dealt with particularly well in the free trade agreement and is being used against us when we ship food to the States. We are much more lenient with food coming into Canada, although we had the case of cyanide in the grapes which caused a considerable to-do in the past. Those kinds of things are in the regulations, so there is a real necessity to review and look at the control of food coming into the country and of live animals and plants coming into the country as well.

Mr. Deputy Speaker: Resuming debate. The hon. member for Peace River.

Mr. Murphy: Point of order. Point of order.

Mr. Deputy Speaker: On a point of order, the hon. member for Churchill.

Mr. Murphy: Mr. Speaker, I move:

That the member for Kamloops be now heard.

Mr. Kempling: That is not a point of order.

Mr. Murphy: Yes, it is. It's the only way you can do it.

Mr. Deputy Speaker: The right hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): Mr. Speaker, I think there is some question as to whether that point of order is receivable. I would ask the Chair to take it under advisement, to render a decision later this day or next week, and to allow the business of the House to proceed.

Mr. Deputy Speaker: I will give the floor to the member for Kamloops.

The procedure in a matter such as this is the following, and if I am not right I am sure members will correct me. Two members stood at the same time, the member for Peace River and the member for Kamloops, and the Chair did recognize on debate the member for Peace River. The matter that the Chair has to take into consideration is whether the member for Peace River started his speech, even with one or two words. Once that is done, and if that is done before the member for Churchill seeks the floor on a point of order, then the member for Peace River has the floor.

In this particular case, the Chair heard the member for Churchill yell "point of order" shortly before the member for Peace River said "Mr. Speaker". That is the interpretation of the Chair. That is why I believe the motion is in order.

In defence, of course, of the member for Peace River, I must say it was probably a split second. The member for Peace River.

Mr. Cooper: I would claim that this is discrimination because of my height. My problem is that my voice, even though I know I began speaking before the hon. member for Churchill, did not project up to the ceiling and back down to the Chair in the same time. So, Mr. Speaker, this is discrimination. I was speaking. I should have the floor.

Mr. Murphy: On the same point, Mr. Speaker. First of all, I am not that much taller, but since the microphones are below our heads, I would assume that he was actually closer to the microphone and that you had more chance to hear him.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The House divided on the motion which was negatived on the following division:

(Division No. 176)

YEAS

Members

Benjamin	Black
Hovdebo	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	McCurdy
Mitchell	Murphy
Parker	Riis
Samson—11	

NAYS

Members

Beatty	Belsher
Bjornson	Blais
Bosley	Bouchard (Roberval)
Bourgault	Campbell (Vancouver Centre)
Casey	Chartrand
Clark (Yellowhead)	Collins
Cooper	de Cotret
Desjardins	Dick
Duplessis	Edwards
Gray (Bonaventure—Îles-de-la-Madeleine)	Hockin
Horning	Jourdenais
Kempling	Lopez
Marin	Mazankowski
Moore	Oberle
O'Kurley	Plamondon
Plourde	Reid
Siddon	Sparrow
Tardif	Turner (Halton—Peel)
Van de Walle	Vézina
White	Wilbee
Wilson (Etobicoke Centre)	Winegard—42

• (1350)

Mr. Deputy Speaker: I declare the motion lost.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I just want to state for the record that the Liberals were in the House but, indeed, we did not want to participate in this little spat going on between the government and the NDP.

Mr. Deputy Speaker: The hon. member for Peace River.

Mr. Cooper: Mr. Speaker, did you hear my voice this time? I have to be careful. I am doubly handicapped when it comes to the member for Churchill. First, I am shorter and second, I have more hair and I know it absorbs the sound. That is why my voice did not project toward the Chair. I am not going to make the same mistake this time.

I want to enter into this debate but I want to enter into the real debate. The real debate that we are talking about here has nothing to do with the report that my hon. friend referred to earlier. It is really about the childish games of the NDP continuing once again today instead of allowing us to get on with an issue that is very important.

Bill C-5 is very important to a very small group of people in Alberta, twelve men who work for a small railway. What did the NDP want to do? They want to play games. They brag to us constantly that they stand up for the little people. We know that is not true. We know, in fact, who pulls their strings and it is not the little people, especially little people like me. It is the unions of this country and, in fact, it is not even the union membership. It is the leadership. Whenever the phone rings, these guys rush out to make sure that it is not Bob White or Shirley Carr calling to know what the marching orders will be for the next few moments.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I must remind my colleague who was speaking and also members of the House that we will not tolerate this continuing sexist language. We are not all guys in this House. We are men and women parliamentarians.

Mr. Cooper: Mr. Speaker, I apologize. I was only referring to the phone call and I assumed it would be the House Leader who would take the call. Therefore, I think "guy" does fit.

My point is that in fact what we have once again are New Democrats responding to the concerns of the union leadership in this land. We saw it demonstrated at their convention. We saw it demonstrated before Christmas because every time the phone rang—

Mr. Deputy Speaker: I know this is a very partisan place and sometimes we make those comments but at some point I would hope that the hon. member would be relevant to the committee report.

Mr. Cooper: Mr. Speaker, I will be relevant and short. I will continue to be short.

In fact, we are very concerned about Bill C-5. That is why this government called that issue today. That is why there has been co-operation to a certain degree between the Liberal Party and ourselves. We have agreed that because it is so important an issue it should be referred to a committee where the Liberals can make their point on that issue, where we can make our concerns known but the NDP would rather filibuster and fool around here in the House of Commons.

Therefore, while I am on my feet, I move:

That this House do now proceed to Orders of the Day.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 177*)

YEAS

Members

Beatty	Belsher
Bjornson	Blais
Bosley	Bourgault
Campbell (Vancouver Centre)	Casey
Chartrand	Collins
Cooper	de Cotret
Desjardins	Dick
Duplessis	Edwards
Epp	Gray (Bonaventure—Îles-de-la-Madeleine)
Hockin	Horning
Jourdenais	Kempling
Lopez	Marin
Mazankowski	Merrithew
Moore	Oberle
O'Kurley	Plamondon
Plourde	Reid
Sparrow	Tardif
Van de Walle	Vézina
Weiner	Wilbee
Wilson (Etobicoke Centre)	Winegard—40

NAYS

Members

Anawak	Bellemare
Benjamin	Black
Blackburn (Brant)	Callbeck
Catterall	Dionne
Gauthier	Hovdebo
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)	Maheu
Manley	Mifflin
Mitchell	Nault
Parker	Prud'homme
Riis	Samson
Young (Gloucester)—25	

• (1430)

Mr. Deputy Speaker: I declare the motion carried. Government Orders.

[*Translation*]

Mr. Gauthier: Before the debate on Bill C-5 continues, Mr. Speaker, I have a point of order.

Two days ago, the Chair gave notice that it would look into the whole question of whether Bill C-62 imposing a regressive 7 per cent sales tax on Canadians—a bill based on a ways and means motion—is in order. The Chair told the House that it agreed to a recorded vote on first reading and that it would render a decision before second reading of this bill began.

We know that the government announced that on Monday, after oral question period, debate would begin on this bill imposing a 7 per cent goods and services tax on Canadians.

I ask the Chair to allow me to ask the government the following question: If the Chair decides that the bill is not in order, which is possible, can the government tell the House what bill it would have us consider in its place?

[*English*]

Mr. Deputy Speaker: This may help the House. I am informed that the Speaker intends to make a ruling on the matter raised by the member for Ottawa—Vanier on 3 p.m. on Monday.

Mr. Gauthier: That is my point, Mr. Speaker. There are two possibilities. It is either going to be correct for the House to proceed to second reading, or not correct.

I ask the Chair to allow me to ask the government the following question: If the Chair decides that the bill is not in order, which is possible, can the government tell the House what bill it would have us consider in its place?

[*English*]

Mr. Deputy Speaker: This may help the House. I am informed that the Speaker intends to make a ruling on the matter raised by the member for Ottawa—Vanier on 3 p.m. on Monday.

Mr. Gauthier: That is my point, Mr. Speaker. There are two possibilities. It is either going to be correct for the House to proceed to second reading, or not correct.

In the event that it is not correct. I am asking the government to tell us right now what the back-up legislation will be.

Mr. Cooper: Mr. Speaker, I am sure if the hon. member had listened carefully to the arguments as put forward by the Minister of Finance and myself yesterday, he would recognize that we are very confident that we will have an affirmative ruling and we certainly feel, after listening to those arguments, that they removed all shadow of doubt.

I can assure the hon. member that because we, as a government, are always prepared, we do have another bill, Bill C-52, which in that very, very unlikely event after those stunning arguments we do not have an affirmative ruling, we would be prepared to pick up that bill.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Roberval) that Bill C-5, an act to amend the Railway Act, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended today by 23 minutes.

Is the House ready for the question?

Some hon. Members: No.

Mr. Deputy Speaker: I interrupted this morning at 11 a.m. when the member for Vancouver East asked a question. The member for Regina—Lumsden was going to answer. I will allow the member for Vancouver East to summarize her question to the member for Regina—Lumsden.

Ms. Mitchell: Mr. Speaker, it was a while ago, but if I recall correctly, I was asking my colleague who had been speaking on this bill to explain some of the difficulties and some of the solutions to an improved and expanded railway system, particularly as it connects with the ports. I am thinking particularly of the Port of Vancouver and the necessity to compete with the American system which has such things as double decker trains and much more efficient services and, therefore, is causing shipments of grain and other things often to go through the American line, through the Port of Seattle and Tacoma, rather than through Vancouver.

Mr. Benjamin: Mr. Speaker, I thank my colleague for the question. At 11 o'clock, she called me an expert, although she did not this time. But I do not want to be called that.

My hon. colleague is perfectly right. There must be a massive public investment in the infrastructure of railway lines not only in Vancouver, but in many other ports, such as the infrastructure in every city across Canada, whether it is rail line relocation, grade separations, overpasses or underpasses. If you are going to raise the clearances on railway lines into a port like Vancouver to allow for higher railway cars, you are looking at a lot of money. When you have to raise bridges or lower roadways, you are looking at a lot of investment.

Obviously, the private sector is not going to invest in that. It is like the streets, sidewalks, sewers, water systems and whatnot. If the government thought it could privatize those, it would, but nobody would buy them in a month of Sundays.

The same thing applies to something like the railway system, which is a public utility. You have to treat it that way. It is not an expense. It is an investment because, as my colleague intimated, Burlington Northern is now attracting plywood, grain, and a host of other products across the border from New Westminster or from Lethbridge, and hauling it on Burlington Northern and Conrail at the expense of the Canadian railway system. Because of things this government agrees with, like confidential contracts, faster tax write-offs for American railroads than Canadian railroads have, our railroads are working at a disadvantage.

The government is not about to invest in the kind of rail line improvements that have to take place. It is going to require further public investment. It is rebuilding and modernizing of a system that is 20 or 30 years out of date. It requires, I would estimate, something in the order of

$4 billion to $5 billion over the next 10 years to get it done.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am pleased to enter into debate on Bill C–5, an act to amend the Railway Act. All members realize that the purpose of this bill is to add a subsection to Section (6) of the Railway Act that allows a province to assume jurisdiction over the interprovincial rail lines.

I think it is appropriate that we recognize what is going on here today. I want to make it clear that the New Democratic Party is not in a position to stop this legislation from moving into committee. Nothing of the sort. We indicated that we wanted to discuss bills thoroughly and we look forward to getting this bill into committee at some point in time, and seeking the appropriate witnesses to respond to see if, in fact, this is the direction the Government of Canada ought to be taking. I mean that with all sincerity.

• (1440)

On the other hand, I think it is clear that what we are also doing as a result of this is sending a signal to the government. The Prime Minister, on many occasions, in reference to the goods and services tax indicated that he does not like this tax and the people of Canada do not like this tax, but it is the right thing to do.

I want to say, on behalf of my colleagues, that we do not enjoy the kinds of things that we have had to do in the last number of days. We do not enjoy frustrating the government at every turn. We do not enjoy making life miserable for the government in terms of its punitive agenda and so on, but it is the right thing to do and we have got to do it.

When 89 per cent of the people of Canada call us and ask us to do what we can to give them time to apply more pressure on the back-benchers on the Conservative side so that they can realize what this goods and services tax is going to do to them and to the country, we have an obligation to do just that.

I know that we have tried our best in the last few days to bring the government to its senses. We have tried to send a message to the government that at least this party is not going to co-operate with the government. In that tradition, I think it is only appropriate that I move:

That this House do now adjourn.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was negatived on the following division:

(*Division No. 178*)

YEAS

Members

Anawak	Assad
Bellemare	Benjamin
Black	Callbeck
Catterall	Dionne
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Manley	Mitchell
Parker	Prud'homme
Riis	Samson—16

NAYS

Members

Belsher	Bjornson
Blais	Bosley
Bourgault	Campbell (Vancouver Centre)
Casey	Chartrand
Collins	Cooper
Duplessis	Edwards
Gray (Bonaventure—Îles-de-la-Madeleine)	Hockin
Horning	Jourdenais
Kempling	Lopez
Marin	Mazankowski
Merrithew	Moore
Oberle	O'Kurley
Plamondon	Plourde
Reid	Sparrow
Tardif	Turner (Halton—Peel)
Van de Walle	Vézina
Weiner	Wilbee
Wilson (Etobicoke Centre)	Winegard—36

Mr. Deputy Speaker: I declare the motion lost.

It being 3.23 p.m. this House stands adjourned until Monday at 2 p.m.

The House adjourned at 3.23 p.m.

HOUSE OF COMMONS

Monday, January 29, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

ABORTION

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, yesterday was the second anniversary of the Supreme Court striking down the abortion law. The Supreme Court ruled that Canada's abortion law was unconstitutional.

Today we find ourselves with another unjust abortion law before us. I urge members to vote down this unfair law. Let us not wait for the Supreme Court to do it later, after much pain and publicity to the women who will be dragged before the courts. Let us not deal with unwanted pregnancy by threatening doctors with jail.

Over the past two years women and doctors have shown themselves responsible for making moral and medical decisions. We are entering the third year without an abortion law, showing clearly that we do not need one. What we need instead is family planning education and progressive social programs to support pregnant women and families. On this second anniversary let us all make a commitment to uphold women's right to decide for ourselves what we will do with our own bodies and our lives.

* * *

SPORTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise today on behalf of all of Canada to indicate our support for our athletes in Auckland.

I particularly want to congratulate Curtis Hibbert of Mississauga of our gymnastics team who has won five gold medals, a silver medal and a bronze medal. We have a tremendous team in New Zealand. These young men and women qualified after rigorous hours of training and dedication. Our athletes are participating in virtually every sport. We have won medals, and the winners are to be congratulated. As of yesterday, we had 58 medals and were running second in the games.

For those who have not yet won a medal, we hope they will win some. For those who do not make to the podium, they are still winners as far as we are concerned, and they are to be congratulated.

Some hon. members: Hear, hear!

* * *

EMPLOYMENT EQUITY

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it is with great interest that I listened to the President of the Treasury Board in the House last Friday make his surprising announcement of equal pay adjustments. I welcomed the news that discrimination in the federal public service would soon come to an end. I have always fought against such discrimination which has been aimed primarily against women. The government is finally moving toward the principle of equal pay for work of equal value after five years of study.

[*Translation*]

I am proud to say that many of my constituents in Carleton—Gloucester are federal public servants, and I intend to make sure that the adjustment is carried out expeditiously.

[*English*]

The Treasury Board decision is just one small step toward a complete end to discrimination in the workplace. I urge the government to demonstrate leadership by acting quickly to ensure that all Canadians work in an environment of fairness and equity.

[*Translation*]

COMMONWEALTH GAMES ASSOCIATION OF CANADA

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, last week the Quebec Superior Court ruled in favour of coach Daniel St-Hilaire, ordering him to be reinstated as coach.

As ordered, the Canadian Track and Field Association submitted St-Hilaire's name to the Commonwealth Games Association of Canada.

Nevertheless, Mr. Speaker, the latter association decided, on the basis of a time technicality, to ignore St-Hilaire and deny him accreditation to the Commonwealth Games in New Zealand, leaving this national coach to sleep in a car across from the stadium and denying him access to the stadium where the games are held.

Mr. Speaker, I deplore the lack of courtesy shown by the executive of the Commonwealth Games Association of Canada, and I see this situation as humiliating for all Canadians. In the circumstances, I hope that the Association will soon take steps to remedy this intolerable state of affairs, which would be in the best interests of amateur sport in this country.

* * *

[*English*]

IMMIGRATION

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I appeal to the Minister of Employment and Immigration to help the refugee claimants who are in the so-called backlog, who came to Canada because of its good reputation, yet find themselves caught up in an inhumane Kafakaesque system.

I have met with many of these people. Their situation is desperate. Their lives are on hold. They wait, and they wait and they wait.

A Canadian citizen who befriended a young Iranian family put it this way: "They are treated by our society as less than second-class citizens; they work at underpaid, unstimulating jobs; they cannot study or take training programs; they do not qualify for family allowances; they have absolutely no control over their own lives; and they have virtually no hope of improving their future prospects. I anguish for them and must ask whether Canada cannot do better.

Canada owes it to these human beings and to herself to hasten the refugee claimant process".

That is what I ask the Minister of Immigration to do—

Mr. Speaker: I regret that the hon. member's time has expired.

* * *

GOODS AND SERVICES TAX

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to congratulate the hon. Minister of Finance on devising what must be the most popular tax in Canadian history.

Some hon. members: Hear, hear!

Mr. Casey: The media is saying that according to a recent poll, 19 per cent of Canadians are in favour of the GST. I find that incredible.

• (1410)

If Canadians were polled on whether or not they wanted to pay income tax I think 100 per cent would be against it. If Canadians were asked if they wanted to pay property tax or provincial sales tax I think 100 per cent would be against it, but 19 per cent of Canadians are in favour of GST. This is a compliment to the Minister of Finance but also an indication that people are beginning to see that the FST must go and that the GST is necessary to ensure that Canadian business is competitive in a global market that is becoming even more competitive every day.

The GST is not the ogre it is being made out to be. Neither will it perform miracles. But it is just one piece of a puzzle that will help us maintain our economy and, perhaps, recapture some of the manufacturing we have lost over many years.

* * *

THE HOMELESS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this winter we have seen pictures of Canadians sleeping on a bench, on the ground, over grates, in cities from coast to coast. The sight of the homeless is shocking. It makes us realize that something is wrong with our priorities. There are people in our midst who are not able to look after themselves. Society as a whole must look after them.

They need a roof. They need care. They need support and not just food.

So long as there are homeless Canadians sleeping in the streets we cannot consider ourselves a civilized society. Some people are doing something about it. In my city of Toronto, a hostel called Street City is just about to be opened by the Home First Society.

By contrast, the federal minister has no money, no projects, no programs. When will this government awake to the fact that there could be more than 10,000 Canadians homeless this winter? When will Ottawa help to house the homeless?

* * *

THE ENVIRONMENT

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I would like to congratulate all those concerned Canadians who have worked so hard for our environment.

The federal government, the federal environment minister and the government of Saskatchewan have finally halted construction on the Rafferty dam. Over the last two years I and my colleagues on this side of the House, especially the member for Winnipeg Transcona, have worked closely with the people who are sincerely concerned about the environment of Saskatchewan and Manitoba.

All we wanted was an independent panel to study the impact of this project, but what a mess the minister has created. An independent panel inquiry should have been conducted when we first called for it. It should have been conducted before the projects began, before the Federal Court spent time and money ruling on two challenges, before 60 per cent of the dam was complete, before the Minister of the Environment had to commit $10 million to the Government of Saskatchewan.

I wish we knew how the $10 million is going to be spent. I commend the Minister of the Environment for his decision. I just hope it is not too little too late.

[*Translation*]

TRIBUTE TO ANDRÉ BOUCHER

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Voyageur bus accident on January 11 in the Annonciation

area in Quebec might have been a disaster, but for the heroic behaviour of one of the passengers, André Boucher of Val d'Or.

Witnesses stated they would never forget what this young man was able to do during the initial moments after this terrible collision. With great calm and courage, he took charge of the situation and kept people from panicking. He used an extinguisher to put out a small fire and gave first aid to the driver who was seriously hurt.

Unassumingly, André Boucher said: "I didn't do anything special."

Mr. Speaker, I for one think André behaved like a hero and that he deserves all our admiration and respect.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Joe Fontana (London East): Mr. Speaker, on September 26 the Minister of National Defence told this House that the moving of the 414th Squadron from North Bay would be cancelled because: "There was an additional cost for infrastructure which was not identified at the time of the budget." We concurred with that decision.

The government originally said the cost of moving the Royal Canadian Regiments to CFB Petawawa was $30 million. Now it looks like the real cost might be closer to $110 million.

In light of these additional costs, will the minister now acknowledge that the closure of CFB London will not save the taxpayer any money? Will he submit all the costs to the committee on defence?

The Minister of Defence has tried to persuade the city of London that rough estimates exist that demonstrate there are sufficient cost benefits to closing CFB London. Where are these mythical figures? If saving the taxpayer money is the main justification for the base closure, why will the minister not release this key information?

Although no one expects initial estimates to be perfect, yours is simply incompetent. Since when did the government give you a blank cheque to spend whatever you want to close CFB London and expand CFB Petawawa? Will the Minister rescind this action and put it on hold—

Mr. Speaker: The hon. member's time has expired.

* * *

GOVERNOR GENERAL OF CANADA

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, it was with an enormous sense of pride that Saskatchewan people this morning viewed the swearing in of one of their own as Canada's twenty-fourth Governor General.

Some hon. members: Hear, hear!

Mr. Wilson (Swift Current—Maple Creek—Assiniboia) Canada's new Governor General is a son of Saskatchewan. He is a graduate of the University of Saskatchewan who distinguished himself as a lawyer, as a member of Parliament and as a minister of the Crown. Indeed, this Governor General and his wife have dedicated the better part of their lives to distinguished public service.

Mr. Speaker, I am sure I join all of Saskatchewan and, indeed, all Canadians in extending sincere congratulations and best wishes to Their Excellencies, the Hon. Ray Hnatyshyn and Mrs. Gerda Hnatyshyn.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance.

We are entering into a new phase of the goods and services tax. One of the criteria that he put forward for the goods and services tax was that it be simple. This is just part of the simplicity that he is going to perpetrate on Canadians, over 300 pages. I quote from page 112, just one of the simple calculations the Minister is going to inflict on Canadian business:

(A + B) + (C x(100 percent)—B)

This is the kind of thing that the Minister is putting forward. Is the the minister convinced that small business in this country believes that his proposal is going to be simple? Is he still adamant about putting forward the GST regardless of what it is going to do to small business in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member is well aware we have put a number of features into the GST system so that it will help small business comply with the tax and help them in their business practices. One of these is the simplified accounting procedures we have provided for, but we have indicated that if there are any other proposals as to ways that the accounting systems can be simplified we are quite willing to look at that.

We have provided for a less frequent payment period for small businesses. Small businesses can pay either four times a year every three months or, if they are quite small businesses, they only have to do their tax calculation once a year.

There are ways in which we are reaching out. There are ways that we are listening to small business. Finally, we have embarked on discussions with the provinces to find ways whereby we can co-ordinate our activities with the provinces, with the prime objective of reducing the compliance burden for small businesses.

[*Translation*]

Mr. Douglas Young (Gloucester): The Minister insists on continuing his attack on small business in this country. Instead of letting small businesses get on with their work and create jobs in Canada, the Minister of Finance is raising a small army to collect his GST. Mr. Speaker, my question to the Minister of Finance is this: Does the government still intend to raise an administrative army of about 4 000 new employees, with an average annual salary of between $37,000 and $40,000, to collect the proceeds of the GST that will come out of the pockets of Canada's taxpayers?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that my friend is very much aware that one of the outcomes that we hope will happen as a result of our discussions with the provinces is some combined effort so that we can reduce the number of public servants needed.

An hon. member: You don't know?

Mr. Wilson (Etobicoke Centre): The hon. member says "don't I know". We just started the discussions with the provinces within the past couple of weeks. That arose out of a decision taken at the finance ministers' meeting in December, so we have been moving fairly quickly in order to try and identify ways that we can work together and minimize this compliance burden. As we minimize the compliance burden we will be saving costs both for the business community as well as for governments in general.

• (1420)

Mr. Douglas Young (Gloucester): Mr. Speaker, as we discussed in this House, the minister and other members of the government have indicated that Canadians do not understand the goods and services tax. I think that is becoming obvious because opposition continues to increase to the goods and services tax, although the rate has been lowered in the latest proposal of the government.

Does he not understand that after all of the effort that has been made by the government to try to convince Canadians to accept the goods and services taxes, he has failed and that a basic tenet of the parliamentary system is that you need to have acceptance on the part of the people for these kinds of onerous tax measures?

I want to ask the finance minister if he is prepared to undertake again today, as he did on Friday, that he is personally prepared to travel—I understand he cannot go to every nook and cranny of the country—at least to four or five major centres in this country where he can explain to Canadians what the goods and services tax is all about and to allow for conflicting views to be heard? Is the minister prepared to sell what the chairman of the finance committee has not been able to sell, and that no one sitting next to him or behind him is prepared to even discuss in public?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member mentioned a number of things during the course of that lengthy preamble to his question. First of all, I have made a number of trips to different parts of the country and I intend to do this on an ongoing basis. This, I believe, is part of my responsibility as Minister of Finance. Other colleagues on this side of the House will be doing exactly that as well.

The hon. member could assist the effort to improve the understanding of Canadians by not distorting what the GST does. He has just called it an onerous tax. It is a very simple tax in relation to the existing federal sales tax which was brought in some 65 years ago.

We will have a one-page tax return so that businesses will be able to pay their tax based on calculations put on one page. That demonstrates the ongoing commitment that we have to the small business community, a commitment that is clearly characterized by specific actions, including the $500,000 capital gains exemption, and the refundability of research and development credits for those small businesses which are not in a profitable position at the point that they undertake that research and development effort.

We have reduced the tax rate on corporate income tax for small businesses, and in a number of ways over the course of the last five years we have clearly demonstrated a commitment to and understanding of the position that small business is in. We have done things in order to try to assist their ability to work to create jobs to generate wealth for this country.

* * *

MINE CLOSINGS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last Friday Rio Algom Mines in Elliot Lake announced it will be shutting down two of its mines, laying off some 1,600 workers. This represents some 70 per cent of the workforce of this company and is a devastating blow for the community. I wonder if the minister can tell the House, those families and the community of Elliot Lake what action the government is specifically prepared to take to assist them in this devastating news. We are not only talking about the 1,600 miners here but we are talking about thousands of people in the community, their livelihoods, their families and their homes. They are all involved in this devastating news. I wonder if the minister could tell us what specific action the government is prepared to take.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I realize that the closure of this mine, which has been a primary source of income and employment in that area, one which I have visited, is quite a blow to the community. Our Industrial Adjustment Services are already working with the company, with the United Steelworkers and with the province to try to determine what programs will work the best. This

is a Community Futures area so we will be putting our resources to work behind the workers. I understand also the indirect impact on some of the local businesses and I think the Community Futures Program and the council that they have in place there will be able to help with some of that.

Mr. Maurice Foster (Algoma): Mr. Speaker, a supplementary question. While I am encouraged by the minister's response, I wonder if the minister could be more specific and say that she will give us a specific allocation for the industrial adjustments program, not only to help the workers but to diversify the economy and to assist the community at large.

In some cases, in communities facing extreme hardship and layoff, the government has been willing to allocate a specific amount of funding under the community initiatives fund, such as Sault Ste. Marie a couple of years ago. I wonder if the government would be willing to give a commitment to a specific amount of funding under the community initiatives fund for economic diversification and job adjustment as well.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think until the Industrial Adjustment Service has been in there and been able to assess the extent of what the community is facing, it would be early to do that. I would advise the hon. member to speak to his colleagues in the other place, because in the Labour Force Development Strategy there is more funding for both the Community Futures and for the IAS. The sooner we get that bill, the sooner I can help communities like his.

* * *

NATIONAL DEFENCE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of National Defence. I understand that today a Canadian Forces CF-18 plane crashed. Can the Minister tell us anything about the status of the personnel, whether indeed that crash did take place and whether that plane was taking part in the cruise missile testing?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I regret to inform the House that there was a crash of a CF-18 operating from a forward operating location in Inuvik. It crashed some 2.5 miles from take-off. It was taking part, along with other aircraft, in an intercept exercise. They were controlled from the regional operations control centre at CFB North Bay. It is believed that the pilot was able to eject. There has been a civilian plane with military personnel at the scene and at this time we can only pray that the pilot has survived. I cannot inform the House as to the accuracy of that.

Ms. McLaughlin: Mr. Speaker, I would like to thank the Minister of National Defence. I would appreciate it if perhaps the minister could make a statement later in the day as more facts become available. I am sure all Canadians are concerned about this tragedy.

* * *

GOODS AND SERVICES TAX

Ms. Audrey McLaughlin (Yukon): I would like to turn to another matter. In the absence of the Prime Minister, I would like to ask a question of the Deputy Prime Minister.

Last week the Prime Minister said in this House: "Both I and the country will remain transfixed as we await the presentation of the options for taxation from the New Democratic Party". Well, for the information of the Prime Minister and the Deputy Prime Minister and for all members across, I have sent a copy of the New Democratic Party's "Alternatives to the GST", in both official languages, to the Prime Minister. I should be happy to do so to all of those Liberal members who are looking for an alternative to the goods and services tax as well as to the government.

Some hon. members: Hear, hear!

Ms. McLaughlin: Let me also say that I am sure the country will remain transfixed as we await the truth from the Prime Minister about where our tax dollars are really being spent.

Will the Deputy Prime Minister confirm that with just one tax break, that is the 80 per cent deduction for business meals and entertainment, the government is losing revenue of approximately $1 billion per year and will he agree that this deduction should be eliminated

before children, seniors and other Canadians are asked to pay 7 per cent on every cookie and muffin they eat and movie that they see?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, both the Prime Minister and I are aware of the proposals that the New Democratic Party have put up. They are not realistic proposals, though. They—

Mr. Riis: Explain yourself.

Mr. de Jong: You think yours is?

Mr. Wilson (Etobicoke Centre): If the hon. members at that end of the House would like me to explain why I do not think they are realistic proposals, I would be happy to do so.

Mr. Riis: Where is the minimum corporate tax, Mike?

Mr. Wilson (Etobicoke Centre): Well, the hon. member does not want to learn about the nature of the proposals and why they do not work.—

• (1430)

The essence of the proposal is to tax the corporations in a major way. This can be done, but I think if the hon. member is realistic and reasonable in her assessment she will see that by doing the things the New Democratic Party would have us do in taxation of corporations, we would drive a good deal of corporate investment out of Canada, creating jobs—

Mr. Speaker: I think the hon. minister is getting well into debate.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): I have a supplementary, Mr. Speaker. When the Minister of Finance introduced his tax reform proposal in 1987, he promised that all corporations would pay their fair share of income tax. Is the government prepared to introduce a minimum 20 per cent tax, on corporations like the United States, so that all profitable businesses will pay their fair share of income tax?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member and her colleagues have raised the question of a minimum tax for corporations on a number of occasions in the past.

The point the hon. member misses when she makes this proposal—and it is a very important point—is that those corporations which are profitable today and are not paying tax are corporations that have lost money in previous years. They may also be corporations that are a conduit for dividend payments, so that a minimum tax of the kind she is proposing would result in double or triple taxation of corporations. I do not believe this is a fair way of dealing with it.

The effect of what she would propose is that a number of small companies in communities right across the country would be hit with tax, would not survive and we would see jobs lost.

The other point which I should also make is that there are about 3,500 companies that pay the large corporations tax. She and her colleagues talk about 90,000 corporations that are not paying tax. Therefore, there are a very large number of those corporations that she would hit that are small businesses. This is not the way we believe the corporate tax system should be structured.

* * *

MINE CLOSINGS

Mrs. Diane Marleau (Sudbury): Mr. Speaker, in northern Ontario first we had the 15 per cent surtax on softwood lumber. Second, we had the cut-back in VIA Rail and Air Canada service. Third, we have had mines closing one after the other. We have had Virginia Town. We have had Kirkland Lake. We have had Cobalt. We have had Temagami, and now we have Elliot Lake. These shutdowns are nothing short of disastrous.

Are these places going to become the Schefferville of northern Ontario? What is the government doing right now? What is it prepared to do right now to create jobs, not retrain but to create jobs? The people of northern Ontario want to work.

Mr. Speaker: The hon. member has put her question.

Mr. Hockin: Mr. Speaker—

Mr. MacDougall: Mr. Speaker—

Some hon. members: Oh, oh!

Mr. Speaker: I guess I am going to have to make up their minds. The hon. minister.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, let me answer the question

although the hon. member for Temiscaming knows these facts as well. The question is very pertinent.

First of all let me tell the hon. member about Elliot Lake. The FEDNOR program under the federal government in the last year has put 10 different projects into Elliot Lake. We are redoubling our efforts there.

There are 40 other projects for the Algoma region. Kirkland Lake, the whole Temiscaming area which the hon. member represents, has had over 34 different projects announced there in the last year and a half. Just last week we announced the third biggest project under FEDNOR. We are redoubling our efforts under FEDNOR to target those two regions, and we are very proud of what we have been able to accomplish so far.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I have a feeling that maybe we should send government members some press releases. They are not aware of what is going on in our country.

Would the minister get real? FEDNOR just is not enough. CEIP is not working. Most of the grants in northern Ontario are going to tourism, and we know what the GST is going to do to tourism in northern Ontario. It will be gone.

What is the minister going to do today? What statement is he going to make at three o'clock, right now? Tell the people of northern Ontario what you are going to do.

You are going to say to them: "Retrain them". Retrain them to do what?

Mr. Speaker: The hon. member has put her question.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member wants a mega-answer to a specific region in northern Ontario. What is developing is a whole series of initiatives that the government is taking in concert with the province of Ontario in a number of areas.

In addition to FEDNOR, we have the Native Economic Development Program, now the Canadian Aboriginal Economic Development Program, which is putting projects into northern Ontario at the rate of about 20 or 30 a year in those particular regions, plus tourism.

As we know the GST is going to lower the cost of operating a tourist establishment by 3 per cent to 4 per cent. That is a new dividend for them. Plus we have a series of joint agreements on tourism that have already helped them.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the Prime Minister, I would like to direct a question to my good friend, the Deputy Prime Minister, who I am sure will agree that the Prime Minister last week put on a fairly shameful display when he tried to blame fishermen for the current fisheries problems.

The Deputy Prime Minister may know that there is only one—

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Simmons: They cannot take the truth. My question is for the Deputy Prime Minister who knows that the only villain in this, domestically speaking, is the Prime Minister for trying to blame the fishermen in the first place.

My question is this: Can he tell us—

Some hon. members: Oh, oh!

Mr. Speaker: This House can of course take a lot of latitude in questions, but pejorative questions are going to invite that kind of response. The hon. member will put his question directly.

Mr. Simmons: Can the Deputy Prime Minister tell us whether he sees foreign overfishing as a problem?

If so, what is the government doing about it? Are we making any progress, or has he thrown up his hands like his friend, the Secretary of State for External Affairs, did last week who said: "There is nothing we can do. We have got to let the Spanish and Portuguese take all our fish"?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member has put on the record so many—I cannot say falsehoods because the rules do not allow me—inaccurate statements that I do not know where to begin.

The Prime Minister did not blame fishermen, and the government certainly has not suggested there is nothing we can do about foreign overfishing. Obviously foreign overfishing is a contributing factor to a very serious problem facing the fishing industry and also, as importantly, facing the many individuals and businesses which depend upon the fishing industry in Atlantic Canada to survive.

What can we do about it? We have already had some movement from the European community; not enough but some. We are pressing for more. The Prime Minister has been in touch with President Delors. Delors has written a response that is more forthcoming than we had expected before. The Prime Minister has indicated that he is prepared to meet with Delors.

The Community Minister of Fisheries, Mr. Marin, has agreed to come to Canada in the next several weeks to talk to Canadians about what we can do to have a more effective regime with respect to foreign overfishing. We are going to follow that up. We are going to follow up every reasonable lead we can to ensure that we solve that part of the problem and others that are creating so much distress in Atlantic Canada.

Hon. Roger C. Simmons (Burin—St. George's): Now the minister talks about falsehoods. I ask him, when he gets up the second time—

• (1440)

Mr. Speaker: Just a moment. The hon. member has taken some time in his first question. There are other hon. members who are waiting to be heard. I ask the hon. member to direct his question and to do it quickly.

Mr. Simmons: Mr. Speaker, I want to ask the Deputy Prime Minister or the Secretary of State for External Affairs if he can tell the House what specific progress there has been. He keeps talking about some movement. I ask him: Does he suggest to the House that the Europeans plan to catch four times as much fish as the quota allows? Is that what he is calling progress?

Would he also indicate while he is on his feet if he is going to increase the monitoring? There is one boat out there trying to chase down all those foreigners. Is he going to do something about that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as a representative of an Atlantic constituency which involves the fishing industry and industries affected by it, I assume the hon. member has been following the announcements that have been made by the European Community.

He will know that there were recommendations made to the community with regard to the amount of fish they would take in waters in the high seas where there is a dispute about the applicability of the NAFO quotas. He will know that they have come closer to our view with respect to some stocks than they had before. He will know that they have not come—

Some hon. members: Oh, oh!

Mr. Clark (Yellowhead): Hon. members opposite who were part of a government that gave away quotas to foreign fishermen that showed the basis of the problems that our industry now faces are—

Some hon. members: Oh, oh!

Mr. Simmons: You're lying now. That's a falsehood.

* * *

JUSTICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the Donald Marshall inquiry has found out what this government has been told for years, that the Canadian justice system is racially biased against native Indians and that there is an urgent and pressing need for change.

The inquiry recommends a native court system for Nova Scotia, a native justice institute, a tripartite forum to resolve outstanding issues between the Micmacs and the governments and a system of native court workers.

Will the Minister of Justice start consultations now, not only with the government officials he has consulted in the past but also with native groups that are suffering these injustices, in order to implement the recommendations of the Marshall inquiry?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the federal government welcomed the results of the Marshall inquiry as a very legitimate effort to review a problem in this country.

The provincial government has asked for I believe a week to 10 days to review the findings of the commission. We intend to take a relative amount of time in order to apprise ourselves of all the recommendations in an effort

to review the matter and come up with the best solutions that we can as a government to integrate our solutions with theirs and find whatever answers we can to this problem.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, given the increasing manifestations of racism that we are beginning to see with increasing rapidity around the country, and given the concern about the delay that has been taking place in the Solicitor General's office with respect to changing uniforms in order to accommodate visible minorities in the police force, will the Solicitor General implement recommendation No. 28 of the Marshall inquiry report which calls for immediate recruitment and immediate hiring of native RCMP officers?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, we have had a committee for some time now in the RCMP which is busy speeding up the recruitment process for minority groups across Canada. The system is working well. We have been able to attract an increasing number of people from various ethnic groups, including Canadian native groups. I think it all takes time. The important thing is that we have a system that works, and so far, we have every reason to be satisfied about the increasing number of people from various ethnic groups who have joined the RCMP. This should be a source of great satisfaction for everyone.

* * *

[*English*]

JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Minister of Justice and it is also about the Marshall inquiry.

In the answer the minister just gave he made it clear that as far as the federal government was concerned they were going to wait for the province to react to the Marshall report before doing anything. I would like to ask him to reconsider that.

The federal government has a Minister of Justice and this minister is the Minister of Justice. I would like to ask him what steps we can look to the Government of Canada to take in the light of the findings of the Marshall inquiry about the extent to which racism underlies the system of criminal justice in Canada for which he has the major responsibility as Minister of Justice.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to make it very clear that I am going to correct the incorrect impression that my hon. friend left. I made it very clear that this government and this minister is going to read the report before we react. We will read it. We will consider it. We will react.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am looking forward, then, to the minister reading the report. I would like to ask him about federal government policies.

Is the minister prepared to recognize the extent to which racism denies fair treatment to members of minority groups? Is he prepared to promote and achieve a workable native justice system? Will he undertake today to review the procedures of the federal agencies which have been criticized by the report? Also, will he in general use the occasion of this sad report to provide some leadership in moving the system of criminal justice of Canada forward?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, perhaps we could start with a little history and remind my friend that these problems took place while his party was in power. Let us just start with that.

I would hope that now he will join with this government which has appointed native people and increased our efforts in this area. I would hope that now the Liberal Party will join with us in eliminating this kind of discrimination.

* * *

[*Translation*]

YOUTH

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, after turning its back on Canada's elderly, unemployed and low-income families, as well as Atlantic fishermen, the government is now turning its back on our country's students.

The government intends to reduce by nearly $52 million the assistance it had promised to provide to create summer jobs for students.

My question is for the minister responsible for youth. With a recession that seems imminent, how can the minister justify this kind of drastic cut?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as the hon. member well knows, there has been no announcement as yet on what the program will be in the summer. I will be making an announcement on that fairly shortly, and I would suggest that he wait to see what it contains.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I see that the minister is not denying those cuts at all. In fact she is prolonging the agony and sowing mistruths out there. As far as I am concerned, when we look at the policy of this government it is intentionally leaking information.

How can the minister stand in her place and claim that her programs are helping students, while on the other hand her government is slashing $7 billion on transfer payments to post-secondary education, is imposing a 3 per cent administration fee on student loan applications and wants to apply a GST on books and all learning materials?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would remind the hon. member that the youth unemployment has fallen by 6.6 per cent since this government was in office, so we must be doing something right.

Some hon. members: Hear, hear!

Mrs. McDougall: In terms of the Challenge program and the other things for which I have assumed responsibility, the hon. member will just have to wait for the policy to see what it is going to entail.

I would remind him of the very fine work that this government has done with regard to the pilot project with students staying in school. It is a very important part of the thrust of what we must do for our young people.

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of Mr. Richard Nerysoo, Speaker of the Northwest Territories Legislative Assembly.

Some hon. members: Hear, hear!

* * *

• (1450)

AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, my question is for the Minister of Agriculture. I do not know why democracy comes with such a high price tag for some people.

The minister has established seven action groups to discuss and establish agricultural policy for the future. He is to be commended for inviting the farm groups to be part of this discussion.

However, although the farm groups have been invited, they have been invited to participate only if they pay their own way. These costs could range from $5,000 up to $30,000, depending on what the groups are going to discuss. Did the minister make the cost so high to eliminate some of the farm groups? How can he justify this cost of devising policy?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, of course we are interested in the views of all farmers and farm organizations. Generally, the farmers' views are heard through the auspices of their respective organizations. They have been involved in the process up until now. They have been involved in the national conference that took place. They will be involved in the various task forces and action groups that we have established.

We have no intention of eliminating anyone. I would suspect that there will be the opportunity for these groups to meet in the various regions of the country. We will do everything that we can to facilitate their being involved at the lowest possible cost to them.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, the Canadian Federation of Agriculture, the National Farmers Union, and other groups of that calibre feel that they will not be able to take part and be

at the table in these groups if they are not given some assistance.

Could the minister give the criteria by which he eliminates some groups and pays for the expenses of other groups if they appear or are part of the discussion?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we are not eliminating any group. We want to hear from every group and every individual farmer, either through telephone or through letter.

The fact of the matter is that the Canadian Federation of Agriculture is a national organization. The National Farmers Union is a national farm organization. I meet with them on a regular basis. My deputies and other officials meet with them on a regular basis. I will be speaking at the Canadian Federation of Agriculture annual meeting in Halifax next month.

Mr. Hovdebo: Can I be at the table?

Mr. Mazankowski: The door is wide open.

The hon. member asks: Can he be at the table? Our door is always open. As the hon. member knows, even if the hon. member has something constructive to offer he can come into my office and see me any time.

* * *

AIR SAFETY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Acting Minister of Transport. It concerns the Gander air crash of December 12, 1985.

Yesterday new information came to light concerning this tragedy, as the minister will know. This information says, and I quote: "that the plan was carrying a member of a clandestine Delta team force that had been bloodied in a failed attempt to free U.S. hostages".

Would the minister explain to this House why two U.S. private investigators came up with this vital information when the minister's own government officials and the Canadian Aviation Safety Board failed to do so after four years of investigating? What is the reason we did not get that information before?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, as the hon. member knows, the investigation is being conducted in the United States at this point in time.

Mr. Justice Estey, a well known and well respected former judge of the Supreme Court, has reviewed the Gander crash here and all the documents that went it. We have followed his representation to us that no further investigation was necessary.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the minister should know a little better than that. She should know that the judge in question only reviewed the existing information and was not permitted to review any additional information. I was not even permitted to provide him with the information that I had.

[*Translation*]

I would now like to ask the minister a supplementary question. With these new developments, in light of these new facts, is the Conservative government opposite now prepared to set up a royal commission of inquiry as we have been asking for four years? Yes or no? If not, why not?

[*English*]

Hon. Shirley Martin (Minister of State (Transport)): No, Mr. Speaker, we will not.

* * *

NATIONAL DEFENCE

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Minister of National Defence. In light of the report on CBC *News World* today that the plane which crashed earlier near Inuvik had exploded in mid-air, and in light of the fact that National Defence had not confirmed whether the pilot was dead, would the minister inform the House as to the fate of the pilot, as reported by CBC *News World*?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, in reply to an earlier question, I informed the House that there had been the loss of a CF-18 operating from an FOL in Inuvik. I cannot confirm the outcome of that crash or the fate of the pilot at this time.

As the hon. member knows the area is very difficult. It is very difficult to search because of lack of light. We cannot inform the House, unfortunately, as to the outcome. We can only hope it has been successful.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, in light of this accident, in light of the gradual easing of the global cold war and in light of the very strong northern opposition to cruise missile testing, will the minister reconsider and cancel cruise missile testing?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the agreement under which Canada allows for the testing of the ACM-86B is an agreement that was signed and supported by the previous administration—and he is a member of that party at this time—and supported by this administration.

I believe it is an important part of the defence of North America. We are part of an alliance.

Mr. Benjamin: The defence of missiles.

Mr. McKnight: The Leader of the New Democratic Party asked a very important question about the concern for a pilot and about concern for an aircraft. I am sure her colleagues would like me to be able to answer the hon. member.

No, at this time, the testing will take place. The testing is part of the contribution that Canada can make to security for North America. I would suggest to the hon. member that what we see taking place now in Europe is part of the reason for NATO to exist. NATO will continue to exist and Canada will exist as a part of NATO.

* * *

EMPLOYMENT EQUITY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the President of the Treasury Board. On Friday, the minister made a first tentative step toward pay equity in the Public Service.

Ever since the Public Service was established women have been unfairly paid. If the government really proposes to rectify this injustice, why then is it paying these women back only about one-quarter of what is actually owed to them?

If this government were really committed to the concept of pay equity, it would do better than two bits on the dollar.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the announcement I made on Friday was based on the results of a joint union-management study that has been ongoing now for five years. The methodology that was retained for use in this study is methodology that is defensible and recommended by outside experts, reviewed by consultants retained by the joint union-management committee and reviewed by the Canadian Human Rights Commission.

All I can to my hon. colleague is that we stand by the numbers we have put out. We believe this is a very important step in achieving equal pay for work of equal value and that people who have been discriminated against unfairly are now finally getting recognition from this government.

• (1500)

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the Human Rights Commissioner has already indicated that this proposal certainly in no way really addresses the issue of pay equity in the Public Service.

Studies have shown that women in female-dominated occupations are due about $1.2 billion in retroactive payments, not $317 million as proposed by the government. Women are owed $200 million in equalization payments, not $76 million. This is money which these women have earned over the past five years, money that has not been paid to them by this federal government. This is money that men have been getting for the same work over the same period of time.

When is the government going to pay these women the money that they have already earned and the money that they deserve? When will this government truly implement fair pay equity for women in the Public Service?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to answer the question, I would like to quote an editorial published in *Le Droit*. It says: "The Public Service Alliance of Canada can keep on shouting murder, the retroactive salary adjustments of $317 million for 75,000 federal public servants announced on Friday by the President of the Treasury Board are an important victory for the principle of pay equity for federal employees." The editorial continues: "They are a model and a basis for negotiation not only at the federal level but also at the provincial level and even in the private sector, where in most cases pay equity

remains only a fine principle which is still not honoured in practice."

I think, Mr. Speaker, that the editorial very well expresses this government's commitment to pay equity, not only in the federal public service but throughout the country.

[*English*]

Mr. Speaker: In view of matters that are taking place a little later on this afternoon I want to announce that there will be shuttle buses provided for members from the west door of the Centre Block commencing at 1745 hours and continuing through to 2100 hours. If there is need for any further information I ask that hon. members phone my office.

* * *

POINT OF ORDER

WAYS AND MEANS MOTION—SPEAKER'S RULING

Mr. Speaker: There is agreement in the House, I understand, that I render a judgment now on a point of order raised by the hon. member for Kamloops a few days ago rather than wait until the completion of Routine Proceedings. I am prepared to do that.

On January 24, 1990, the hon. member for Kamloops rose on a point of order to contest the procedural acceptability of a Ways and Means motion in which there had been concurrence the previous day. While the Chair allowed the bill, which was based on this motion, to be introduced and read a first time, I indicated to members at the time that I would not allow second reading debate on the bill to begin until the procedural arguments raised by the hon. member for Kamloops had been considered and a decision rendered. I am now ready to rule on this matter.

Before entering into the case itself, I would like to address a technicality on the timing of the member's point of order. The member for Kamloops explained that he did not raise his point of order on January 23 because Standing Order 83(3) states, "a motion to concur in" a ways and means motion "shall be forthwith decided without debate or amendment".

The Chair would like to point out that the practice and rules of the House would not preclude a member from raising a procedural objection to the admissibility of a Ways and Means motion when it is called.

Beauchesne's Fifth Edition, citation 235, states:

> Any Member is entitled, even bound, to bring to the Speaker's immediate notice any instance of what he considers a breach of order—He should do so as soon as he perceives an irregularity in the proceedings which are engaging the attention of the House.

The Chair simply wants to point out the difference between the restriction against debate on the motion of concurrence and the raising of a point of order. I am quick to point out that while I have made these remarks in the interests of clarification, it makes no difference to the ruling I will make and in no way was the hon. member for Kamloops prejudiced against putting his point of order and arguing the matter. In short, the member could have raised his procedural arguments on January 23 but could not have debated the subject matter of the motion.

[*Translation*]

Let me now proceed to render my decision. On January 24, the hon. member for Kamloops pointed out that a phrase in the motion of ways and means moved by the Minister of Finance referred to a document which had not been tabled in the House of Commons. Specifically, the importnt passage read:

[*English*]

> That a tax—be imposed after 1990 under the Excise Tax Act at the rate of 7 per cent—as set out in the document entitled "The Goods and Services Tax" tabled in the House of Commons by the Minister of Finance on December 19, 1989 and "The Goods and Services Tax Technical Paper" issued by the Minister of Finance on August 8, 1989.

[*Translation*]

It is the second document referred to in the motion which at that time had not been tabled in the House.

[*English*]

The member for Kamloops claimed that a tax bill had been founded in part on a document released through the press and not tabled in the House. And this, he contends, challenges the age-old practice that money bills must originate in the House. Furthermore, he asks whether amendments can now be proposed to the bill

increasing the tax to 9 per cent since the technical paper referred to in the motion outlined a plan for a 9 per cent tax.

[*Translation*]

The Chair acknowledges that these are serious questions worthy of careful consideration and a full explanation.

[*English*]

Before proceeding, it might be appropriate to explain briefly the significance of the Ways and Means motion, especially to our listening audience, but I suspect sometimes it might be of great help also to hon. members.

Our parliamentary procedures are based on the premise that before a government imposes any new tax, or before it seeks to continue any expiring tax, or before it increases the rate or scope of an existing tax, the government must table a notice of a Ways and Means motion in the House.

"Ways and Means" is the expression used to describe the process by which the government obtains the resources necessary to meet its expenses. In other words, how it raises taxes. Therefore, our practice requires that a notice of a motion outlining the proposed changes in taxation law be tabled in the House and that this motion be adopted in priority to first reading of a tax bill.

This motion of Ways and Means does not have to be identical to the subsequent taxation bill. In some cases, this motion is almost a word-for-word version of the subsequent bill, but in other cases it may be simply a one-paragraph statement generally explaining the proposed changes.

Hon. Members can be forgiven if sometimes they are in a state of perplexity as to just what exactly is appropriate to include or to leave out of a Ways and Means motion because there has been a very great variety of forms, wording and structure of Ways and Means motions over the many years of the history of our Parliament.

In some cases this motion is almost a word-for-word version of the subsequent bill, as I have said, but in other cases it may be simply a one-paragraph statement generally explaining the proposed changes. Our Standing Orders specify that the bill must be, and I quote, "based on the provisions" of the Ways and Means motion. Many of my predecessors have explained in rulings that the words "based on" do not mean "identical to".

[*Translation*]

I would now like to return to the case presently before us.

When the member for Kamloops argued that the ways and means motion contains reference to a document not tabled in the House, he raised a number of important issues. First, the Chair has been asked to pronounce on whether it is proper for a ways and means motion to refer to a document not tabled in the House.

[*English*]

In considering whether a Ways and Means motion should only refer to documents tabled in the House, the argument appears to hinge on whether the House and members had access to the documents and that these documents were public in nature. The need for such access is obvious. However, I hasten to add that there is nothing in our Standing Orders or in our practice to restrict all references in Ways and Means motions solely to documents tabled in the House.

• (1510)

The particular document in question, the technical paper issued on August 8, 1989, has an interesting history. As the Minister of Finance himself pointed out on January 25, 1990, the technical paper was the subject of a self-initiated committee study which resulted in the presentation of a report to the House on November 27, 1989. This technical paper was also the subject of a supply motion moved by the member for Yorkton—Melville on October 12, 1989, and I quote from page 4578 of *Hansard* where the member, when he commenced debate on the part of the New Democratic Party, said:

> I rise today to ask the House to reject this proposal in the technical paper on the goods and services tax.

He was there referring to the technical paper which I have just mentioned.

There is ample evidence that this particular document was well known in parliamentary circles and that copies were readily available to members from the distribution office. Therefore, in terms of members' access to this paper, the Chair must conclude that there is no problem. Furthermore, in making his argument on Thursday,

January 25, the minister offered to table the August 8 technical paper and, indeed, did so on Friday, January 26.

On strictly procedural grounds, I wish to repeat again there is no requirement that motions only refer to documents tabled in the House. Unless required by statute or our own Standing Orders, documents are tabled in the House as a courtesy for information purposes.

Far more problematic to the Chair is the ancillary question raised by the hon. member for Kamloops concerning the possibility of amendments to the bill based on the Ways and Means motion. This turns, of course, on the relationship between the motion and the taxation bill. The member argues that the motion imposes an uncertain scope around the goods and services tax bill. Specifically, he points to the contradiction between the 9 per cent tax as outlined in the technical paper and the 7 per cent tax as set down in the December, 1989 document and the motion.

In the event that hon. members or the public are wondering how this contradiction could be there, it is clearly there because the technical paper was written and made public some time ago and, of course, mentioned 9 per cent and the December document reflected changes in government policy. That is why the document refers to a 7 per cent tax.

On the strict matter of the rate itself, I should immediately say that the specific terms of the motion refer to a 7 per cent tax. When I say "the specific terms of the motion", I am talking about the the specific terms of the Ways and Means motion which refer only to a 7 per cent tax and the bill and any proposed amendments would therefore have to be limited to that rate as an upper limit.

On January 25, 1990, the hon. Minister of Finance also spoke to this point of order. He stated that the reference in the Ways and Means motion to the August 1989 technical paper—that is the one that spoke about 9 per cent, the first one—and the December 1989 document tabled in the House had been made to be, in his words, "helpful". As he explained on page 7470 of *Hansard*, and I quote the minister:

> In short, we made reference to the August technical paper as an historical milestone of the GST policy development process in an effort to be helpful to members of this House—In closing, I would again submit that the Ways and Means motion tabled on Monday of this week stands on its own in providing the scope and the legal authority for the GST legislation, with or without the reference to the August technical paper that my hon. colleague has referred to.

[*Translation*]

The Chair will accept the explanation given by the Hon. Minister that the reference to the documents in the ways and means motion is peripheral to the expression of the financial initiative of the governement.

[*English*]

There would be very real difficulties in basing a tax bill on documents which were part of a consultative process, not least of all because those documents are not congruent one with the other. Each of the documents details different areas of concern on the general issue of the goods and services tax.

I must say in passing that I and others have examined both of these documents. They have been reviewed very carefully by the Chair in the preparation of this judgment.

In terms of proposing future amendments based on these documents, the Chair could be left in the unenviable position of reconciling the contradictions in these documents, trying to determine what constitutes the four corners of the bill and the scope of the intended tax.

I think hon. members, and I am sure the minister, would agree that this would have been an intolerable procedural situation and one causing the Chair and the House some considerable difficulty.

[*Translation*]

In this regard, the Chair is reminded of a statement made by one of his predecessors, Speaker Jerome, when he had to decide on the relationship between a ways and means motion and the subsequent bill. On December 18, 1974, Speaker Jerome said:

[*English*]

> —the terms of the Ways and Means motion are a carefully prepared expression of the financial initiative of the Crown and frequent departures from them can only invite deterioration of that most important power.

As presently worded and distanced from the August and December technical documents, the Ways and Means motion declares simply that a goods and services tax will be implemented after 1990, calculated at a rate of 7 per cent:

a) of the value of the consideration in respect of taxable supplies, on recipients of such supplies made in Canada;

b) of the aggregate of the duty paid value of the goods and any excise tax imposed under the Excise Tax Act in respect of imported goods, on every person who imports goods into Canada; and

c) of the value of the consideration in respect of taxable supplies, other than goods, imported into Canada, on recipients resident in Canada.

I think it should be noted that, in short, this particular Ways and Means motion presents a very broad statement of the financial initiative of the government vis-a-vis the goods and services tax and so would appear to permit considerable scope for amendments to the bill within, of course, the 7 per cent rate ceiling.

The terms of the motion itself which I have just outlined must serve as a beacon to guide members in drafting any amendments. Consequently, in view of the minister's explanation to the House that the motion stands on its own and does not derive any authority from documents previously issued by the government, the Chair concludes that Bill C-62, which is based on the Ways and Means motion concurred in on January 23, may now proceed for second reading.

I want to say in addition that the argument put forward by the hon. member for Kamloops was obviously extremely well researched and was very succinctly presented. I hope that hon. members will be satisfied that in this judgment we have dealt adequately with the matters raised.

I thank the hon. minister for assisting the Chair in the clarifications contained in his statements.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, during the heat of Question Period I and several of my colleagues heard my friend from Burin—St. George's say that I was lying. That is both untrue and unparliamentary and I wonder if he would take the opportunity to withdraw.

Mr. Speaker: Before the hon. member responds, I want to assure the right hon. gentleman and other members that I did not hear that, but the matter is now between the two members. I am guided by their responses.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, certainly if I said anything which was unparliamentary I would withdraw it without any equivocation. I indicated to the right hon. gentleman that, as he had indicated that I uttered some falsehoods, I thought that in the same vein he might have done the same thing. I used the word "falsehoods" and proceeded to say that if I could call it something else I would. But if something was heard that was deemed to be unparliamentary, I withdraw without any qualification.

Mr. Speaker: I thank the hon. member. Hon members will, of course, keep in mind that the enthusiasm which is sometimes engendered at Question Period can create problems for the Chair and, of course, problems for other members who are waiting to raise important matters and ministers who, no doubt, would want to respond to those matters. I do want to stress the importance of hon. members in these exchanges keeping in mind that their colleagues are also waiting to be heard. I thank hon. members.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government responses to 18 petitions.

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

Routine Proceedings

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find that there would be unanimous consent for the following motion to be put and voted upon without debate. I move:

That, immediately after the completion of Routine Proceedings, the House will proceed to Orders of the Day for debate on the motion for second reading of Bill C-62; and

That, following the speech on the said motion by the Minister of Finance, further proceedings this day on the said motion and any amendment thereto be as follows and in this sequence:

—a speech (without time limit) by both of the Leader or designated spokesperson of each of the Official Opposition and the New Democratic Party;

—a period of one hour for questions and comment, directed to the Minister of Finance, along the format used in Question Period;

—a deemed adjournment of debate, without further debate or question put, on the said motion and any amendment thereto;

—a deemed adjournment of the House until eleven o'clock a.m., Tuesday, January 30, 1990, without further debate or question put on such motion for adjournment;

—Provided that, for the remainder of this day, no dilatory motion shall be receivable by the Chair.

Mr. Speaker: Does the hon. government House Leader have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would not want to miss this occasion to do my duty and present to this House a petition which strongly opposes the government's intentions to impose upon Canadians this very unjust and unfair GST at 7 per cent.

These people believe strongly that the imposition of the 7 per cent tax will be unfair to Canadians, that it will impose hardship on low and middle-income Canadians and that the imposition of this tax will create an onerous burden on small business. They therefore strongly oppose the GST which is an unprecedented tax grab from the pockets of Canadians and will hit all of us not only with higher taxes but higher inflation, higher interest rates and higher unemployment.

These people humbly pray and call upon parliament to reject the proposed goods and services tax.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I, too, have the honour of tabling petitions on behalf of the people of Parkdale—High Park. The petitioners are not fooled by the government's proposed reduction of the GST to 7 per cent from 9 per cent. It is still an increase from 0 per cent to 7 per cent on many items which are not taxed now. The petitioners call upon this House and the government to scrap the proposed goods and services tax at whatever rate.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I, too, have additional petitions from Prince Edward—Hastings to add more names to the thousands I have already tabled in the House of constituents in my riding who are violently opposed to the goods and services tax that the government seems bent on legislating.

[*Translation*]

NORTHERN BENEFITS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I have the honour of presenting to the House two petitions addressed to the Minister of Finance which concern the Report of the Task Force on Tax Benefits for Northern and Isolated Areas.

The petitions are from Mattice and Valrita, and your petitioners ask the Minister of Finance to unconditionally reject the report's recommendation that this program be abolished.

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I wish to table today a petition rejecting the recommendation made by the Task Force on Tax Benefits for Northern and Isolated Areas.

Your petitioners, representing the isolated community of Lebel-sur-Quévillon in Abitibi, are concerned about the report's recommendations that will cause a number of workers to be laid off. They believe the federal government refuses to consider the fact that life in the North is harsh, isolated and expensive.

Mr. Speaker, according to the disparity index for the 84 isolated communities designated by the Government of Quebec in October 1989, Lebel-sur-Quévillon ranks seventieth in Quebec.

[*English*]

GOODS AND SERVICES TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased today to rise under Standing Order 36 and present petitions signed by many people who are strongly opposed to the government's goods and services tax. They feel that this new tax will cause serious and unfair hardship to low and middle-income Canadians, that it will create an onerous burden on small business and that not only will it create higher taxes but higher inflation, higher interest and higher unemployment. The petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I, too, rise under Standing Order 36. I have signatures here that add up to 30 but all in all I have close to 9,000 petitioners who are against the goods and services tax. These people note that in the last five years personal income tax collection has gone from $39 billion to $59 billion practically and that represents a very large increase in personal income tax, close to 90 per cent.

The petitioners are concerned about the 31 new tax increases. They are concerned that the government in power has taken the manufacturers' sales tax up to 13.5 per cent over stages from 9 per cent. They are concerned about the effect this will have on low and middle-income families. They are concerned about the effect it is going to have on small business and the extra administration that will be involved and, indeed, the wherewithal for some of the businesses, in fact most of the businesses in my riding to cope with this. Those who are so close to the margin are scared out of their minds.

These people humbly pray and call upon Parliament to reject this proposed goods and services tax.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I also have a petition which I would like to table pursuant to Standing Order 36 of the House of Commons. This petition is signed by a number of Canadians who are opposed to the government's plan to impose a goods and services tax, or a GST, which should properly be called a grief and suffering tax, at any per cent. These people are humbly praying—they really mean it—and calling upon Parliament and the Government of Canada to reject the goods and services tax at any per cent.

• (1530)

[*Translation*]

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is also my duty to present in the House a number of petitions from residents in my riding of Beauséjour. Your petitioners wish to express their opposition to the government's tax proposal and they humbly pray Parliament to reject said proposal.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following questions will be answered today: Nos. 171 revised, 186, 191, 192, 193, 194, 199 and 200.

[*Text*]

THE VOLUME OF WATER PER MONTH REMOVED FROM LAKE MICHIGAN THROUGH THE CHICAGO SHIP CANAL

Question No. 171—**Mr. Milliken:**

For (a) 1985 (b) 1986 (c) 1987 (d) 1988 (e) 1989 to date, what is the volume of water per month removed from Lake Michigan through the Chicago Ship Canal?

Hon. Lucien Bouchard (Minister of the Environment): The Chicago Diversion, initiated in 1848, removes water from Lake Michigan at Chicago for the purposes of domestic, sanitary, navigation and hydro-electric power in the Illinois Waterway. The waterway connects with the upper Mississippi River. Diversion prior to 1900 averaged about 500 cubic feet per second (cfs). Upon completion of the Sanitary and Ship Canal, diversions progressively increased to a maximum of about 10,000 cfs

in 1928. Due to challenges from other states (mainly Wisconsin), there have been several U.S. Supreme Court decrees issued (1922, 1925, 1930 and 1967). The 1967 decree limited the diversion to an average of 3,200 cfs effective March 1, 1970. A 1980 court amendment allows the use of a 40-year period in calculating long-term average diversion for compliance. Lake Michigan is located entirely within the United States territory and is not considered as "boundary water" according to the Boundary Waters Treaty of 1909. However, it is connected to, and flows into Lake Huron and downstream, thus affecting the rest of the Great Lakes-St. Lawrence River System. The present diversion rate of 3,200 cfs causes reductions in the flows in the Niagara River by 1.5 percent, and in the St. Lawrence River by 1.3 percent.

The 3,200 cfs is equivalent to 7.8 billion litres per day, or 1.7 billion imperial gallons per day.

With regard to the specific amounts of water diverted through the Chicago Diversion in each of the years and months requested, please see the attached tables.

VOLUME OF WATER REMOVED FROM LAKE MICHIGAN THROUGH THE CHICAGO DIVERSION, IN BILLIONS OF LITRES

QUANTITÉ D'EAU DU LAC MICHIGAN ACHEMINÉE PAR LE CHICAGO SHIP CANAL, EN MILLIARDS DE LITRES

	1985	1986	1987	1988	1989
January/ janvier	206.8	155.8	165.9	207.8	161.6
February/ février	311.8	196.1	154.1	173.8	122.1
March/ mars	394.8	205.6	187.7	183.2	178.7
April/ avril	221.2	175.9	200.1	201.3	142.2
May/ mai	196.4	233.3	254.2	166.9	169.5
June/ juin	228.5	279.2	253.8	201.0	530.1
July/ juillet	272.9	347.4	290.1	251.9	311.9
August/ août	278.0	283.0	550.4	275.5	361.3
September/ septembre	262.6	345.1	299.8	284.5	361.3
October/ octobre	275.8	376.6	205.8	205.2	n/a
November/ novembre	346.1	196.3	162.2	238.5	n/a
December/ décembre	199.5	183.5	243.4	165.9	n/a
Total	3194.4	2977.8	2967.5	2555.5	n/a

VOLUME OF WATER REMOVED FROM LAKE MICHIGAN THROUGH THE CHICAGO DIVERSION, IN BILLIONS OF BRITISH GALLONS

QUANTITÉ D'EAU DU LAC MICHIGAN ACHEMINÉE PAR LE CHICAGO SHIP CANAL, EN MILLIARDS DE GALLONS IMPÉRIALS

	1985	1986	1987	1988	1989
January/ janvier	45.5	34.3	36.5	45.7	35.5
February/ février	68.6	43.1	33.9	38.2	26.9
March/ mars	86.8	45.2	41.3	40.3	39.3
April/ avril	48.7	38.7	44.0	44.3	31.3
May/ mai	43.2	51.3	55.9	36.7	37.3
June/ juin	50.3	61.4	55.8	44.2	116.6
July/ juillet	60.0	76.4	63.8	55.4	68.6
August/ août	61.2	62.3	121.1	60.6	79.5
September/ septembre	57.8	75.9	65.9	62.6	79.5
October/ octobre	60.7	82.8	45.3	45.1	n/a
November/ novembre	76.1	43.2	35.7	52.5	n/a
December/ décembre	43.9	40.4	53.5	36.5	n/a
Total	702.8	655.0	652.7	562.1	n/a

ACOA – OUTSIDE CONSULTANTS

Question No. 186—**Mr. MacDonald (Dartmouth):**

From June 31, 1987 to October 31, 1989, did the Atlantic Canada Opportunities Agency engage the services of outside consultants and, if so (a) what is the total amount of spending per year (b) what are the names of those firms (c) what amount did each firm receive from ACOA?

Hon. Elmer MacIntosh MacKay (Minister of Public Works and Minister for the purposes of the Atlantic Canada Opportunities Agency Act): From June 30, 1987 to October 31, 1989, the Atlantic Canada Opportunities Agency did engage the services of outside consultants.

(a) The total amount of spending per year is as follows:

FY87/88—$342,927.

FY88/89—$3,321,948.

FY89/90—$1,949,274.

GRAND TOTAL $5,614,149.

(b) and (c) as per attached listing.

ACOA EXPENDITURES FOR OUTSIDE CONSULTANTS

NAME OF FIRM	JUNE 30, 1987 To March 31,1988	APRIL 1, 1988 to March 31, 1989	APRIL 1, 1989 To Oct. 31, 1989	TOTAL
A.W. Armstrong & Associates		$2,000	$10,650	$12,650
Aird Associates		$5,250		$5,250
Ash Craig & Thorton		$3,139		$3,139
Atlantic Provinces Economic Council	$7,500	$25,000		$32,500
Barracore Management Ltd			$32,861	$32,861
Baseline Market Research Ltd		$1,300		$1,300
Business Resources (*)			$12,200	$12,200
Canmac Economics Ltd		$42,377	$11,934	$54,311
Clarkson Gordon	$32,886	$143,501	$68,395	$244,782
Collins Barrow Management		$48,894		$48,894
Conference Board of Canada	$20,237	$2,325	$9,644	$32,206
Conseil Economique du N.–B.	$1,000			$1,000
Coopers & Lybrand (*)	$5,000	$150,539	$145,793	$301,332
Corporate Research Associates		$2,700	$6,650	$9,350
Corporate Communications		$165,765	$77,302	$243,067
Courtfax +	$3,862			$3,862
Cyberforce Systems Ltd			$20,315	$20,315
Dearborn Group		$11,038		$11,038
Deloitte, Haskins & Sells		$47,683	$42,323	$90,006
Design Associates	$9,398			$9,398
DML Communications			$42,240	$42,240
DMR Group Inc.		$10,059	$59,486	$69,545
Doane Raymond		$206,704	$181,727	$388,431
Don Cummer & Associates		$700		$700
Douglas House Consultants		$7,350		$7,350
DPA Group Inc.	$2,330		$65,029	$67,359
Dupree & Burden		$22,400		$22,400
Earle & Squire Chartered Accountants		$13,500	$10,000	$23,500
East Coast Editorial		$21,249	$23,829	$45,078
Economic Council of Nfld		$988		$988
Executive Secretarial Consultants			$11,363	$11,363
F.B.D.B.		$3,695		$3,695

Fiander—Good			$24,731	$24,731
Frank Gibson Associates		$3,842		$3,842
G.L. Office Management Service			$14,231	$14,231
Gardner Pinfold Consulting	$24,362	$136,360	$19,938	$1800,660
Glen Elg Associates	$26,085			$26,085
H.P. Consultants	$7,417			$7,417
Harris Pitcher Kennedy & Ryan Consultants		$21,151		$21,151
Hay Management	$9,749			$9,749
Informatique Landry Computing		$6,453		$6,453
Institut Canadien de Recherche (*)		$6,500	$3,500	$10,000
John Kettle Incorporated		$3,000		$3,000
Kirby & Company		$49,023	$71,383	$120,406
LeBlanc, Nadeau, Bujold, Maheux			$18,750	$18,750
Laventhol & Horworth		$24,925		$24,925
Leslie Communications			$23,118	$23,118
M.O. Consultants		$34,000	$18,843	$52,843
MacDonald Consultants Ltd	$35,954	$25,285		$61,239
MacIsaac & Younker			$20,520	$20,520
Mair Public Relations	$1,200	$7,800	$2,500	$11,500
Memorial University		$175,733	$156,025	$331,758
Meridian Systems Group			$23,625	$23,625
MIS Consultant Inc.		$25,000	$29,860	$54,860
Moncton Consulting Services	$25,000	$13,741		$38,741
Multiscript		$3,905	$5,115	$9,020
Newfoundland & Labrador Development Corporation		$450,000		$450,000
Nordco Limited		$15,936		$15,936
N.S. Research Foundation		$13,983		$13,983
O'Driscoll Raymond Inc.		$16,103		$16,103
O'Malley Communications		$21,892		$21,892
Omnifacts Research Ltd		$15,000		$15,000
Overseas Canadian Prospect Management & Planning Inc.		$2,367		$2,367
P.I.R. Communications		$65,629	$22,200	$87,829
Paper Tiger Enterprises	$9,812			$9,812
Parnell Kerr Foster		$28,592		$28,592
Pat Binns & Associates (*)			$4,700	$4,700
Pathways Incorporated	$7,000	$46,642	$33,756	$87,398
Peat Marwick		$50,197	$43,500	$93,697
PPD Technologies		$15,840		$15,840
Price Waterhouse		$69,678		$69,678

Promotional Resources Ltd	$34,939	$35,907		$70,846
Pye Refunds		$4,250		$4,250
R. Flaman Management		$8,578	$19,947	$28,525
R. Harrop Enterprises	$18,891	$33,858	$4,347	$57,096
Robertson Daye		$254,147	$125,353	$379,500
S.B. Shaw & Assoc.		$2,700		$2,700
S.H.L. Systemhouse Inc.		$4,267		$4,267
Saga Communications			$38,923	$38,923
Seaconsult Marine Research Ltd		$45,910	$42,700	$88,610
Siskin Management		$423,939	$274,605	$698,544
St. F.X. University Extension Department		$1,170		$1,170
Stevenson, Kellog, Ernst & Whinney	$25,000			$25,000
Susanatek Consulting & Investments			$13,198	$13,198
The Newlantic Group	$21,625	$6,500		$28,125
The Sanctuary Woods Group		$5,800	$25,300	$31,100
Thorne Ernst & Whinney Chartered Accountants	$13,680	$53,292		$66,972
Ti-Bo Consultant Services			$14,065	$14,065
Touche Ross & Co.		$87,152		$87,152
TSI Associates Inc.		$875		$875
UMA Group		$19,962		$19,962
Unified System Ltd		$29,155		$29,155
Venture Economics Canada Ltd (*)			$4,000	$4,000
Venture Communications Inc.			$18,800	$18,800
Walter P. Miller		$7,700		$7,700
William A. Mercer Ltd		$10,053		$10,053
GRAND TOTAL	$342,927	$3,321,948	$1,949,274	$5,614,149

(*) CONTRACTS OR PARTS OF CONTRACTS APPROVED AFTER SEPTEMBER 5, 1989.

CLOSURE OF CANADIAN FORCES BASE PORTAGE LA PRAIRIE

Question No. 191—**Mr. Harvard:**

1. Have the Department of National Defence's projections of a cost saving of $529 million over 15 years as a result of the closure of Canadian Forces Base Portage la Prairie accounted for inflation or the time value of money and, if not, for what reason?

2. What is the net cost to the Treasury of closing CFB Portage, taking into account costs which will not be borne by DND but by other departments, such as the Department of Transport?

3. Has the government estimated the cost for the continued operation of CFB Portage and, if so, what is it?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): I am informed by the Department of National Defence and the Department of Employment and Immigration as follows:

1. The time value of money has two components, changes in price levels or inflation, and opportunity cost or cost of capital. The total net savings for the CFB Portage la Prairie closure are a fifteen year total for the period 1989/90 through 2003/04 taking into account the impact of inflation. The figures have not been adjusted for the opportunity cost component, nor is such adjust-

ment appropriate in the context of this internal reallocation of DND and federal government expenditure.

2. The total cost for the closing of Canadian Forces Base Portage la Prairie is $93,140, distributed as follows:

Industrial Adjustment Service ($25,000 used for an Economic opportunities Study	$30,000
Community Futures—Impact Study	$25,000
Project Coordination	
Salaries	$22,000
Operations and Maintenance	$ 7,500
Office Rental	$ 8,640

These funds are part of Manitoba's normal regional allocation under the Canadian Jobs Strategy.

3. It is not clear under what scenario the question of the cost of continued operation of CFB Portage la Prairie is being posed. If none of the current activities are ceased or moved, then the cost of continued operation remains as it is now, and all forecast savings are lost. If the pilot training activities are removed as envisioned, then there is no longer a requirement for a base of any size, and any attempt to retain the facility would entail a waste of funds.

CFB PORTAGE

Question No. 192—**Mr. Harvard:**

1. What is the actual cost of (a) relocating personnel from CFB Portage to other military bases (b) the physical closing of CFB Portage (c) relocation, retraining and severance pay for civilians now employed at CFB Portage?

2. Does the government foresee a reduction in air force personnel equivalent to all positions being transferred from the closed base and, if not, will the expenses associated with some of the personnel be transferred elsewhere?

Hon. William Hunter McKnight (Minister of National Defence): 1. (a) The Regular Force manpower ceiling at CFB Portage is 499. The current manning level is 480 military personnel and is likely to remain at that level due to military personnel shortfalls. The average cost of relocating a military member is estimated to be $10,400. The total cost of relocating all personnel is $4,992,000. However, approximately 30 percent of military personnel would be moved to new assignments annually for service reasons. Thus, the relocation costs attributable directly to the closure of CFB Portage is $3,494,400.

(b) The costs of closing CFB Portage la Prairie are unknown at this time as it will depend upon the re-use of the facilities. Costs could range from a minimum if the entire site is taken over by another agency to a maximum should the site have to be totally demolished. It is anticipated that the costs will be near the lower end of the scale.

(c) The following costs are anticipated for civilian employees at CFB Portage:

relocation—$781,000;

retraining—$148,000 (includes tuition and travel); and severance pay—$434,000.

2. Of the 499 established positions at CFB Portage, 95 positions associated with the Flying Instructors School and the Basic Helicopter School will be transferred elsewhere. The remaining 404 positions will be eliminated, resulting in an equivalent reduction in air force personnel.

BASIC FLIGHT TRAINING FOR THE MILITARY

Question No. 193—**Mr. Harvard:**

1. Does the government support the contracting out of its basic flight training for the military and, if so, for what reasons?

2. Does the government consider private training more viable now than when it was tried in 1964-65 and, if so, for what reasons?

3. Did the government state that only 142 pilots are trained per year at CFB Portage and, if so, was this statement correct and, if not (a) what is the correct number (b) what number of the figures on which the decision was based were calculated using the incorrect number?

Hon. William Hunter McKnight (Minister of National Defence): 1. The government supports in principle the contracting out of some elements of military flight training as a measure which has the potential to contribute to the governemnt-wide effort to reduce the deficit. In this respect, the Department of National Defence is currently investigating the feasibility of contracting out its Primary Flying Training to coincide with the scheduled closure of Canadian Forces Base Portage la Prairie in 1992. Responses to the Department's Solicitation of Interest have reflected a satisfactory level of interest and potential and DND officials are now addressing how best to structure such a contractual arrangement. The results of these deliberations will be reflected in the Request for Proposal scheduled for release early in the summer of 1990.

2. The Department of National Defence has sponsored certain civilian-based flying activities by military aviators in the past as continuation flying programs. The Department is not aware of any such programs which constituted or substituted for basic flight training. The viability of contracting out elements of military flight

ttraining at this time will be confirmed during the evaluation of the Request for Proposal.

3(a) No, the government has not stated that only 142 pilots are trained per year at CFB Portage la Prairie. A study conducted in 1988 reflects that 145 pilots graduated from the Primary Flying School. In addition to this, some 44 helicopter pilots graduate each year, and a further number (which varies annually) undertake training at the Flight Instructor School at CFB Portage la Prairie. The total number of candidates entering pilot training could be nearly double these figures.

(b) Calculations for the contracting out of Primary Flying Training were based on a range from 145 to 280. These figures were not used directly in the calculation of savings to accrue from the closing of CFB Portage la Prairie.

FLIGHT TRAINING ESTABLISHMENTS

Question No. 194—**Mr. Harvard:**

1. Has the government changed the reasons it used in locating flight training establishments and, if so (a) what are the new reasons (b) is CFB Portage judged unsuitable according to the new criteria and, if so, in what ways?

2. Has the government decided on the sites to which the remaining flight training schools will be relocated when CFB Portage is closed and, if so, to which locations and, if not, to what extent can it accurately project costs or personnel requirements?

Hon. William Hunter McKnight (Minister of National Defence): 1. The criteria used to select locations for flight training establishments have not changed. DND continues to look for geographical and meteorological characteristics which will ensure that such training is conducted in the most cost-effective manner possible. Canadian Forces Base Portage la Prairie remains quite suitable in this respect. In fact, please note that several respondents to the Solicitation of Interest have proposed locating their contracted facility on that site, in the context of an industrial park of which primariy flying training would be one of several activities. Nevertheless, there are other factors which might render other locales more cost-effective; a possibility which will be addressed during the Request for Proposal evaluation.

2. The Department is evaluating other Canadian Forces Bases, including those at Edmonton, Moose Jaw and Winnipeg, as possible relocation sites for the remaining flight training schools. Detailed cost and personnel data are not expected to be available until the first quarter of 1990.

LEGISLATION TO COMMIT FEDERAL AND PROVINCIAL GOVERNMENTS TO REINVEST A SIGNIFICANT PERCENTAGE OF STUMPAGE AND TAX REVENUE IN THE FOREST RESOURCE

Question No. 199—**Mr. Gardiner:**

Has the government taken any action to follow up on the recommendation of the 1988 1st Annual Progress Report on the National Forest Sector Strategy that legislation should be enacted committing federal and provincial governments to reinvesting a significant percentage of stumpage and tax revenue in the forest resource and, if so, what action has it taken?

Hon. Frank Oberle (Minister of State (Forestry)): No legislation has been enacted to commit federal and provincial governments to reinvest a significant percentage of stumpage and tax revenue in the forest resource. No such legislation is envisaged to be enacted by any government.

However, it should be noted that on a national basis, provincial forestry expenditures exceeded the provincial forestry revenues collected during the last two fiscal years of 1987–88 and 1988–89, as identified in the table below:

PROVINCIAL BUDGET INFORMATION	**FISCAL YEARS**	
	1987–88	**1988–89**
Forestry Expenditures for all provinces ($,000)	1,216,690	1,398,570
Forestry Revenues for all provinces ($,000)	1,120,700	1,009,100

FUNDING TO THE NORTHERN INTERIOR VEGETATION MANAGEMENT ASSOCIATION

Question No. 200—**Mr. Gardiner:**

Has the government provided funding to the Northern Interior Vegetation Management Association and, if so (a) what amount (b) is a departmental official responsible for receiving funding requests from the Association and, if so, which one (c) has the Association applied for funds for the fiscal year 1990–91 and, if so, in what amount (d) have any progress reports been filed with the government with respect to any spending?

Hon. Frank Oberle (Minister of State (Forestry)): The federal government has provided funding to the Northern Interior Vegetation Management Association.

(a) The federal government has provided a total of $20,000 to the Northern Interior Vegetation Management Association through the federal component of the Canada-British Columbia Forest Resource Development Agreement (FRDA); $10,000 were provided in the 1988-89 fiscal year and $10,000 were provided in the 1989-90. In addition, the cost-shared research program of the FRDA funded a $7,500 project to support the association in collecting and collating information on vegetation management trials in the northern interior.

(b) The responsibility for funding requests rests with Dr. T. John Drew, Regional Director General, Forestry Canada, Pacific and Yukon Region. Funds provided to the Northern Interior Vegetation Management Association to date have been approved under the auspices of the Research and Demonstration component of the FRDA, and are associated with an aggressive program of forest research in the northern interior of British Columbia.

(c) The association has not applied for funding in the 1990-91 fiscal year.

(d) Funds provided to the association by the federal component of the FRDA were used for the formation and operation of the association, which distributes a quarterly newsletter to its members and to Forestry Canada. This newsletter lists the association's current and planned activities and usually includes a summary of expenditures. In addition, a detailed summary of expenditures and accomplishments/projections is provided at the regular meeting of the association's Advisory Council for comments and approval.

[*English*]

Mr. Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, if questions Nos. 178 and 198 could be made Orders for Returns, those returns will be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that questions Nos. 178 and 198 be deemed to have been made Orders for Returns?

Some hon. members: Agreed.

[*Text*]

EMPLOYMENT OF VISIBLE ETHIC MINORITIES

Question No. 178—**Ms. Mitchell:**

For 1987, 1988 and for each month in 1989 to date, in the Department of Multiculturalism and Citizenship, what were (a) the titles and pay grades of the (i) clerical and manual (ii) lower, middle and upper management occupational categories (b) the number and percentage of jobs held by visible ethnic minorities in clerical and manual positions in (i) permanent, temporary and acting capacities (ii) full-time and part-time capacities (c) the number and percentage of jobs held by visible ethnic minorities in lower, middle and upper management positions in (i) permanent, temporary and acting capacities (ii) full-time and part-time capacities (d) the turnover rate for each position covered by parts (b) and (c)?

Return tabled.

NORTHERN TAX ALLOWANCE

Question No. 198—**Mr. St-Julien:**

As of December 1, 1989, are there areas in Canada designated "isolated areas" under the tax benefits plan by which taxpayers are eligible to receive the tax deductions provided for in section 110.7 of the *Income Tax Act* and sections 7302 and 7304 of the *Income Tax Regulations* and, if so (a) which areas (b) since what time have they been designated "isolated areas" (c) in each case, what is the total amount of tax money refunded per year?

Return tabled.

[*English*]

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

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

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

CLOSING OF MINES IN ELLIOT LAKE, ONT.

Mr. Maurice Foster (Algoma): Mr. Speaker, pursuant to Standing Order 52, I wish to ask leave to move the adjournment of the House for the purpose of giving urgent consideration to a pressing matter, namely, the announced closing last Friday of the Quirke mine and the Panel mine owned by Rio Algom Mines in Elliot Lake, Ontario, which will result in the loss of some 1,600 jobs, or 70 per cent of the workforce of the company in that community. It will have a devastating impact on the community.

I would hope, Mr. Speaker, that you will give permission for an emergency debate on this matter.

Mr. Speaker: The hon. member for Algoma has raised a matter of serious concern, especially to part of the country, and I think also to hon. members of this House.

However, I think perhaps the hon. member may be able to make representations in the coming days. In the meantime I do not think it is appropriate to accept the motion.

I thank the hon. member for raising the matter. It is an important matter.

ATLANTIC FISHERY

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I also rise pursuant to Standing Order 52 to request permission to put down a motion to adjourn the House to discuss the matter of the deepening crisis in the Atlantic fishery. I am aware—

Mr. Speaker: My concern is that, for whatever reason, and the fault may lie with me, I do not seem to have any notice of the hon. member's application.

Can the hon. member help me with respect to the question of notice?

Mr. Simmons: Mr. Speaker, I wrote on January 25. I would be happy to furnish the Chair with a copy of the letter.

Mr. Speaker: If I understand, notice was given a day or so ago. I wonder if I could ask the hon. member under the circumstances if he could consider his position tonight and if he is so disposed perhaps give me notice in the morning when I can deal with the matter.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Michael Wilson (Minister of Finance) moved that Bill C-62, an Act to Amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be read the second time and referred to the Standing Committee on Finance.

He said: Mr. Speaker, it is with a strong sense of accomplishment that I stand today to open this debate on the goods and services tax, accomplishment because with this bill we have succeeded where no previous government has in putting together a comprehensive, balanced and fair reform of the federal sales tax system. This is indeed a milestone for Canada. With this bill we have finally moved from rhetoric to action in reforming our antiquated and seriously-flawed federal sales tax.

We are proposing to establish a federal sales tax system which will strengthen the economy and improve the fairness of the tax system. Canadians have been discussing, analysing and proposing alternatives to the existing federal sales tax for half a century. Royal commissions and committees have all documented the flaws and glaring inequities of our existing system.

The Rowell-Sirois commission in 1940, the Carter commission in 1966 and the Goodman committee in 1983 all concluded that our federal sales tax fails to serve the interests of our economy and of our people.

For half a century our industrialists, our entrepreneurs, our exporters and the workers they employ have had to compete with one hand tied behind their back. For half a century Canadians in every province, city and town have paid billions of dollars worth of federal sales tax without knowing it.

The tax system we have endured for the past 66 years has been hidden, fundamentally unfair and damaging to Canada's economic interests at home and abroad. It has cost Canadians many, many jobs.

Now, more than ever, it is time that we listen to the lessons of history. Now, more than ever, it is time for a federal tax system driven by a bold vision of the future and not by one mired in the inertia of the past.

When you look at what we have been doing in a broad way, our vision of Canada is a challenge to the bold. It is a vision of opportunity, fairness and compassion for Canadians and their families. It is a vision of strength, moderation and peace for Canadians through the international councils of the world. It is a vision of conservatism at its best, which is to preserve what is good and to leave a better quality of life to those who follow us in terms of both a higher standard of living and a healthier environment. Perhaps most important, it is a vision deeply rooted in reality and expressed through decisive action, not empty rhetoric. The key to achieving this

vision is a strong, prosperous and dynamic economy. That is what our agenda for economic renewal is about.

It is a comprehensive plan, a plan that we have been following assiduously since November, 1984. Our initiatives in areas such as investment, international trade, privatization, competition policy, patents and copyright, deregulation, pension and income tax reform and the labour market development strategy are all designed to lay solid foundations for long-term sustainable growth and productive jobs—jobs for Canadians in a world where competition is unforgiving and change is fast becoming the only constant.

The goods and services tax is a vital component of our agenda to reform the economic structure of our economy. At a time when a new highly-competitive Europe is emerging and when Japan and several other nations of the Asia Pacific are occupying an increasingly large place in the landscape of trade and investment in the world, we cannot afford a tax system that punishes our domestic producers and our exporters and gives a cost advantage to their foreign competitors.

Helping our exporters to compete internationally was a major reason why we negotiated the Canada-United States Free Trade Agreement. Removing the federal sales tax will make our exporters even more competitive, not only in the United States but in all the markets of the world.

Competitiveness is not just a matter of economic policy. It is also crucial to social policy objectives. There is a good reason for that. For a trading nation like Canada, we must be able to sell our goods and services around the world so that we can generate the wealth and resources required to pay for our social programs and services.

• (1540)

The problems with our existing sales tax have been well documented, progressively since 1940. Under the current system, the existing tax applies to sales of manufactured goods. As a result of that, a significant amount of tax is paid on the materials, plant production costs and equipment used in the production of all goods and services originating in this country, goods and services that every Canadian buys every day.

In fact, about one-half of the $18 billion in federal sales tax revenues currently comes from the taxation of business inputs, materials and supplies used in the production process. This also raises the cost of capital to our own producers, discouraging investment for modernization and expansion.

Because these taxes on business inputs do not apply to foreign producers, the ability of Canadian exporters to compete in global markets is hampered. Our analysis shows that the tax on business inputs often exceeds 10 per cent of the profit margin of our exporters.

Furthermore, the existing system taxes our own products more heavily than imported products—on average about one-third more. We are the only country in the world which has a tax system which favours imported products over domestic producers.

While Canadians have dithered over 50 years about how to change our self-destructive federal sales tax, 48 other countries have already opted for tax systems along the lines that we propose in the goods and services tax.

In today's highly integrated world economy, countries which rely on trade for their prosperity cannot allow their tax systems to get out of line with those of their trading partners. Canada is no exception. We must understand once and for all that Canada must compete on the world's terms because the world is not going to compete on Canada's terms.

Meeting successfully the challenges of the world economy means that we must, from time to time, make major structural improvements to our economy in areas such as taxation. To do that most effectively requires detailed and extensive consultation with Canadians. That is exactly what we have done in the process leading up to the presentation of the goods and services tax bill.

In November, 1984 we indicated that we had begun to study the possibility of replacing the current sales tax with a value-added sales tax system.

In October, 1986 the government set out basic guidelines for its approach to comprehensive tax reform; and

in June of the following year we announced plans to replace the existing tax in a white paper on tax reform.

I announced plans to introduce the GST in last year's April budget, and provided detailed information on most aspects of the new system in the technical paper released last August. The technical paper that I tabled in August was followed up with the draft legislation which I presented to this House in October.

After releasing the technical paper in August, the government canvassed a wide range of views on virtually every aspect of the GST. We discussed our proposal with groups and individuals represented in every province and region of the country and virtually every sector of the economy.

Literally hundreds of groups and individuals have given us their views, shared their insights and explained their positions in detail on this issue.

I have travelled across the country meeting groups and individuals, participating in open-line shows, addressing gatherings of business people and other meetings in communities, large and small. What I have discovered time after time was that when the time was taken to explain the problems that we face, Canadians understood the issues. In fact, not only did they understand but they made valuable and constructive suggestions which have helped us to improve the package that is now before the House.

From the summer of 1987 until the spring of 1989 we undertook detailed discussions with the provinces about the feasibility of an integrated national sales tax. While it did not prove possible to reach agreement on such a national sales tax, these discussions contributed substantially to the federal government's elaboration and design of the goods and services tax.

As I indicated in December, I find the tone of the recent discussions we were having with the provinces most encouraging in helping us find ways that we can eliminate or minimize the compliance burden of the new tax on Canadian businesses, both large and small.

The House of Commons Standing Committee on Finance examined the technical paper proposals in detail and held extensive public hearings on the proposal. Under the very able leadership of its chairman, the committee gave individuals and representatives of a wide range or interest groups the opportunity to air their views in a formal and detailed way. The committee's report made a substantial contribution through its analysis and recommendations to the ultimate framing of the proposal contained in the goods and services tax bill.

Canadians spoke loud and clear, and we listened. Better still, we used the many constructive and useful suggestions that we received from Canadians to improve the proposal.

Canadians told us that the rate was too high and that they were concerned about the impact on inflation. We listened, and after some tough choices, we reduced the rate from 9 per cent to 7 per cent, and thus reduced the potential one-time inflationary impact to just a little over 1 per cent. At the same time we succeeded in maintaining the fundamental balance in equity among the various measures within the package, especially the protection that it provides to low and modest income Canadians.

Canadians told us to use greater spending restraint. The measures which the President of the Treasury Board announced in December were important steps in that direction. But, as he and I both indicated, we still have further work to do in that regard.

We have also acted to meet concerns expressed about the burden of complying with the GST. For example, we will provide a one-time transitional credit of up to $1,000 for small businesses.

In addition, we have exempted electronic point of sale and related inventory control equipment from the existing sales tax. This complements the 100 per cent capital cost allowance for this equipment which we announced in August. Together, these two measures will reduce the effective after-tax cost of this equipment by about 20 per cent.

Furthermore, we have also made a number of technical improvements designed to simplify the operation of the tax, to establish greater equity among competing businesses and to improve the operation of the tax in a number of sectors.

I know that nobody likes taxes. I understand that. Neither do I. But I know that most people feel uncomfortable when they must face significant change, and I understand that too. So, combining the two, major change and taxes, is bound to upset a lot of people, at least in the short term.

We know that changing the tax system, especially when it involves making previously hidden taxes visible, is not what most people would consider a fast track to popularity. Politically, the expedient thing would have been not

to proceed with the GST—the expedient thing for the government, but the wrong thing for the country.

The goods and services tax will help our deficit reduction efforts and ensure that we can continue to afford the programs and services which Canadians value. It will strengthen our industries in a significant and direct way, because a central feature of the GST, the input tax credit, will allow them to compete free of tax in markets abroad and put them on an equal footing with imports in our own market.

Eliminating the existing tax will remove tax-induced distortions in the price of goods and services, and will lower the cost of capital to produce long-term economic benefits. The GST output will increase by close to 1.5 per cent, or about $9 billion a year. There will be gains throughout the economy, in all regions of the country.

We also expect the new system to lead to the creation of some 60,000 new jobs by as early as 1992. How quickly the economic benefits of sales tax reform are realized depends to a large extent on prices and wages. It is essential that savings from input tax credits and the elimination of the existing federal sales tax be passed on to consumers.

• (1550)

Competition will provide the most important incentive for firms to reduce prices. In addition to that, to help consumers, the government will establish an office to provide consumers with information prior to the implementation of the GST. In this way consumers will be able to find out what impact the GST is likely to have on the price of key goods and services.

I also want to take this opportunity today to encourage companies and unions to follow responsible and moderate approaches to price and wage decisions. Because if they do, the transition will be smooth and jobs will be gained as early as 1991.

As I said earlier, a major reason for introducing the GST is to improve the fairness of the tax system. We have achieved this through the refundable GST credit, a unique feature of this tax.

The credit reflects this government's firm commitment to maintaining a caring and compassionate society. The credit will be paid by cheque four times a year to some 8.7 million Canadian families and individuals. In fact, the first payment will be made at the end of December of this year so that Canadians with lower modest incomes will have the money in their pockets before the GST is implemented in January of 1991.

With the GST credit, three-quarters of families headed by seniors or single parents will have more after tax income than they do under the existing system.

Another benefit which few people have considered is that the GST will end the error of the hidden federal sales tax. Under the existing system any government can raise the rate of the federal sales tax without many Canadians noticing, but under the GST Canadians will not only know they are paying a federal sales tax, they will be very, very much aware of any change that any future government might want to make.

This greater visibility of the tax will make governments much more accountable to Canadians than ever before. In fact, the GST will be a more visible tax than the provincial sales taxes. The provincial sales tax today applies to many business inputs, such as building supplies, computers and telephones. The result is that about a third of provincial sales tax revenues are from these sources. As a result, the tax that you see is applied on a price which already includes a hidden provincial sales tax, but if that hidden tax were removed, the provincial tax rates would have to increase by about a third to a half. Those hidden taxes are removed in the GST system so that the 7 per cent that you see is all that you are paying.

The goods and services tax bill is more than a question of balance sheets and bottom lines. It is more than a simple matter of dollars and cents. Thanks to the refundable sales tax credit and the visibility of the tax, the GST will also make a substantial contribution to social justice and ongoing political accountability.

I believe that in the months following January 1, 1991 when the cut and thrust of partisan debate on this issue has calmed down, when the controversy has subsided, when Canadians can see our economy even more vibrant

and growing, they will conclude, as I have, that this is the right policy for the right reasons at the right time.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, today we have not only the introduction of legislation for a new massive regressive federal sales tax, we also have the introduction of a new national guessing game.

The questions Canadians will put to themselves will be these. How long will it be that this new tax will stay at the rate of 7 per cent? How long will it be before the minister raises it to the 9 per cent he originally wanted, or to 10 per cent, 11 per cent, 12 per cent, 15 per cent?

My guess is that he will do that sooner rather than later. After all, this is the same minister who never ceased to call the existing manufacturers' sales tax a hidden killer of jobs. Yet this was the minister who, in five short years, silently raised that silent killer of jobs from a rate of 9 per cent to 10 per cent, 10 per cent to 11 per cent, 11 per cent to 12 per cent, and 12 per cent to 13.5 per cent.

So the guessing game begins. Even if we Canadians guess right, we lose, because we will all pay more. This is a no win situation for the Canadian people.

One of the finance minister's main arguments today—he makes it when he is attempting to respond to questions in the House—is that without this tax Canada just will not measure up. It will not measure up to dozens of other countries that have a similar tax. It is a case of "Me too! We have to go along. Since over 40 other countries have this tax, we Canadians should have one too".

The minister is deeply concerned that he will not be able to hold his head up at international conferences. Now that he is the chairman of the interim committee of the International Monetary Fund he wants to be one of the boys. He wants to have a similar tax. Never mind that our largest trading partner, the United States of America, does not have that tax. Never mind that the Japanese will be fighting an election, and are fighting an election, over the attempted imposition of a 3 per cent tax. He completely overlooks that.

The minister says that he wants to be one of the boys in Washington as he travels around now as the chairman of the interim committee of the International Monetary Fund. He wants his tax in his pocket. He wants a tax like the progressive economies he has cited. Let us take a look at some of these countries.

Uruguay has a tax like this. They brought it in at 14 per cent; it is now 21 per cent. The Ivory Coast brought it in at 8 per cent; it is now 25 per cent. He points to Sweden. Sweden brought it in at 11 per cent; now that tax is 23 per cent. Nigeria brought it in at 12 per cent; now it is 25 per cent.

I wish the Prime Minister were here. Ireland brought it in at 16 per cent; and now it is 22 per cent. Austria brought it in at 8 per cent; and now it is 20 per cent. This minister can hardly wait. He has two thin lines of drool down his chin. He can hardly wait to get this tax in and then raise it notch by notch at the expense of the Canadian people.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Madam Speaker, does the minister really think Canadians will have the impression they are out front with this new tax? The minister may think he has shown all these countries what he can do. However, they have only one sales tax, while Canada will be the only country in the world with two: a federal tax and a provincial tax, except in Alberta. Does the minister think he will be able to strut and swagger in international financial circles? I can tell him right now he will be laughed out of town. He will look silly because he will be the only minister with two taxes. How will he explain that to his colleagues around the table in Washington? This total anarchy, this administrative nightmare for Canadian business! With this double tax, some provinces will have a tax situtation similar to Uruguay's. Adding the federal tax to the provincial tax, Newfoundland will pay 19 per cent; New Brunswick, 18 per cent; and Nova Scotia, 17 per cent. Does the minister really think Canadians don't know he will do what all other countries have done with this tax, namely, raise it at the first opportunity? Canadians are not fools. The Minister's sales pitch is hollow, because every time the subject is mentioned, he absolutely and categorically refuses to exclude the possibility of an increase.

• (1600)

[*English*]

When you hear some of the arguments that he and his cabinet colleagues are making in order to sell this tax, you have to wonder what goes on at those long, protracted meetings in luxurious surroundings, those luxuri-

ous government retreats where ministers put on their cardigans and try to adopt the guise of thinkers.

I cannot resist the suggestion put to us by the Secretary of State for External Affairs in Edmonton a couple of weeks ago. We offered to adjourn the debate the other day to hear him make his resignation speech. He is having some trouble with the Minister of Finance. At any rate, the Secretary of State for External Affairs was in Edmonton on January 10. We all know he is not good with numbers. We all know that a crucial moment in Canadian history he could not count. However, his contribution to this debate will be remembered for its creativity, if nothing else. He told his audience in Edmonton that Canadians should accept this new tax not for anything it will do for or against the country, but to set an example for the reform movement in eastern Europe.

Mr. Edwards: Read the speech, you might learn something.

Mr. Turner (Vancouver Quadra): I think the parliamentary secretary probably had the honour of introducing him. I did read the speech and I want to quote from the speech.

Mr. Edwards: Read it again.

Mr. Turner (Vancouver Quadra): Reading it once is about all I can stomach, but I am going to read it for the House of Commons. I will quote the Secretary of State for External Affairs. He rented the suit for the day so he is going to wear it for the day. He said: "For decades we have been telling the peoples of eastern Europe that our way is better, that democracy and capitalism work. What does this say to the people who have risked their lives in Romania and in Poland and in Czechoslovakia and people who are trying to bring through fundamental changes if we can't find the courage in this most remarkable of countries to move to a reform that everybody agrees needs to be accomplished?"

Those were the minister's words. I really do not think that the Romanians are watching our every move on this particular tax. I would not think that the people of Romania who have suffered under dictatorship for almost 50 years and who are wrestling with the worst oppressive dictatorship that this world has seen since the last war are really wondering whether or not we are going to pass this sales tax.

My friend, the member for Parkdale—High Park, and I had the great honour of meeting Lech Walesa the other day. I wonder if Lech is staying up nights wondering what is going to happen to this sales tax, or if we pass it here whether or not it is going to abort the movement for reform and democracy in Poland. I do not think so. I have got more faith in the Polish people.

What about the Czechs? Do you think every member of the Czechoslovakian Federation is beaming on short-wave every night, wondering whether or not the Minister of Finance is getting this tax through? At any rate, I think if they were watching, they would be watching the kind of example that this government is providing for the reform movement of eastern Europe. This is a reform movement that kicked out a whole series of repressive, dictatorial, non-responsive governments, one after the other. Do you know why those governments were kicked out? Those governments refused to listen to the people. Do you know why this government is going to get kicked out on this tax? Because it is refusing to listen to the people.

What would they see? They would see a government imposing a devastating new tax on everything, a tax on everything that moves, in spite of the fact that Canadians from Vancouver to St. John's are telling this government not to do it. They would see a government that has refused to listen to the people. They would see a government that now refuses to consult with the people in preparation for the next budget.

Canadians are against this tax. Canadians are fighting this tax. They have written letters against this tax. They have asked members from all sides to present petitions against this tax. They have said no to this tax in a thousand different ways. If we had a democracy this government would be listening to the people of Canada.

[*Translation*]

Madam Speaker, the government is as cold and unfeeling as a block of marble. It won't listen to Canadians. The minister is insensitive to the concerns of Canadians. All he wants to do is sell his proposal, no matter what it takes. If the government was at all concerned about our fellow citizens, it would have approached this concept in

a straightforward manner and it would have invited Canadians to consult.

However, the government hid the truth from the very beginning.

The minister started off by saying that the tax would be revenue neutral, that it would not be a bigger burden that the existing federal sales tax. He said this time and time again, so there would be no impact on election results. However, by constantly raising the federal sales tax, he turned revenue neutrality into a budgetary offensive.

After the election, however, the minister said the tax would be used to reduce the deficit. He took the offensive. He became more honest, which means Canadians had been sold a bill of goods.

The new tax will take several billion dollars more out the pockets of Canadians than the tax that was in place when the government was sworn in.

[*English*]

The minister said that he would never bring in such a tax without provincial co-operation. He told the House, the country and the Canadian people that without such co-operation such a tax was impossible. Such a tax was, and I use his words, "unworkable". However, the provincial governments have unanimously said no, they will not co-operate because they think this new massive tax is unfair.

I remember when the minister responded to me, as well as on television, constantly we heard in the House of Commons that behind the whole thing the provinces were really for it. Two days later every provincial leader was meeting with the Prime Minister of Canada and we couldn't find one who would admit supporting this tax because they all know it is an unfair tax. The minister is going to impose the tax anyway, even though he said it would not work without provincial co-operation.

The minister said that the tax was going to be simple. He said it would not be complicated. Now we learn that the Minister of Revenue is going to hire 3,900 new tax collectors, a veritable army of tax police, a whole new army of snoopers just to administer this new tax. Over 1 million small-business people in this country are now going to have to collect this tax for the government under the supervision of this new tax army. They are going to have to keep two sets of books, one for the provincial tax and one for the federal tax. They are going to have to fill out endless forms and do endless calculations to satisfy the minister's new tax police.

Simple, Madam Speaker? Have you taken the time to read this document? Take my advice and don't bother. This is a simple document 323 pages long. My colleague from New Brunswick, the county of Gloucester, the associate critic, and I have had to go through this document. That is what we get paid for. It is not a joke.

I want to draw to the House's attention one small piece of simplicity. I hope that the taxpayer who has to line up to buy a new house does not have to try to fill this out with his bank manager. I am referring to page 116 of this bill where tax is being calculated. Then we came to an exemption. I am looking at proposed section 207.(1), paragraph (c). Here is just one of the simple calculations that the minister is asking of the average business person and average person who is entitled and responsible for collecting the tax:

> (c) except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply equal to the amount determined by the formula
>
> (A x B) + [C x (100percent−B]−D
>
> where
>
> A is the tax calculated on the fair market value of the property at that time,
>
> B is the percentage that, immediately before that supply, the use of the property in commercial activities of the individual is of the total use of the property,
>
> C is the lesser of
>
> (i) the tax calculated on the fair market value of the property at that time, and
>
> (ii) the total of the tax that was or would, but for section 167, have been payable by the individual in respect of the acquisition of the property and the tax that was payable by the individual in respect of improvements to the property or, where the individual was deemed under subsection 208(2) to have received a supply of the property at an earlier time, the total of the tax deemed under that subsection to have been paid by the individual at that earlier time and the tax that was payable by the individual after that earlier time in respect of improvements to the property, and
>
> D is the tax, if any, that the individual is deemed under section 190 to have collected at that time in respect of the property.

I would say to the prospective homeowners in this country: Holy mackerel! Not even first year algebra is going to help you through this one.

• (1610)

The minister offered to give me a briefing. I am going to take him up on it. I want a blackboard. I want the minister to bring the blackboard into the House of Commons. I want him to explain this formula to the members of Parliament and to the people of Canada.

I once had the honour of representing one of the ridings in this area. Some former colleagues and new colleagues are here. I am going to take the minister to a remedial class in mathematics at one of our high schools and see whether they can put some sense back into his head and return some simplicity to his mind so that he can go back to the drawing board and redraw this complicated nightmare of a tax.

After promising small businesses in this country that at least they would be entitled to a small yearly payment for doing all this work for the federal government, the minister has now reneged on that commitment. He is now going to provide a one time only payment that will not nearly cover the increased costs faced by small businesses in collecting this new tax.

It is no small wonder that, in these circumstances, the Minister of Finance refuses to meet John Bulloch of the Canadian Federation of Independent Business.

Mr. Wilson (Etobicoke Centre): I have never refused him.

Mr. Turner (Vancouver Quadra): He refuses to meet anybody in consulting his new budget.

Mr. Wilson (Etobicoke Centre): I have never refused them.

Mr. Turner (Vancouver Quadra): Do we now hear from the minister that he is willing to meet with Mr. Bulloch and other representatives who want to meet him before he draws his new budget? Do I hear that from him?

Mr. Wilson (Etobicoke Centre): Mr. Bulloch has never called me.

Mr. Turner (Vancouver Quadra): I want to suggest to Mr. Bulloch and anybody else who wants to make a representation before the minister before he brings down his next budget that the minister may have relented. Mr. Bulloch, get on the phone, talk to the minister, if you can. I say this on national television and I say it within the House of Commons.

[*Translation*]

The minister had said that the tax would be visible. He had said that the exact amount of the tax would appear on every bill. He changed his position. Today he says that it might be visible. We will wait and see. We are not at all sure. Will it have to appear on the bill? We will wait to find out. The minister had said that in implementing the new tax, he would reduce the taxation rate on middle incomes. He also went back on this promise. The minister had said that in implementing the new sales tax, he would eliminate the 3 per cent surtax on middle–income Canadians. Instead of eliminating it, Madam Speaker, he raised it to 5 per cent.

The minister had said that the new tax would not be inflationary. Today he admits that the new tax will drive up the rate of inflation. Furthermore, Madam Speaker, the new tax will be an engine of inflation. Is the minister naïve enough to have us believe today that businesses, business people, entrepreneurs will not try to recover the tax by passing it on to consumers, by transferring the tax to consumers? That is naïve! This is not a minister who understands the collective psychology of Canadians and consumers. Is the minister naïve enough to pretend as well that unions and workers will not seek to protect themselves by demanding pay raises throughout the country?

Shirley Carr and other labour leaders have already warned the minister. Mr. Minister, they are unanimous in saying that workers in Canada will bear the brunt of this tax.

It shows monumental naïveté on the part of this minister. Everything will cost more, much more! The minister had said that the new tax would be fair. Madam Speaker, it is totally unfair. His new tax will be regressive and will hit the poorest very hard. The minister thinks that he has sweetened the pill by proposing a 7 per cent tax instead of 9 per cent, but Canadians will not swallow it. The minister has engaged in a little mathematical game, which is really a big fraud. He reduced the tax rate, but to make up for it, he raised the taxes on individuals.

[*English*]

It is an unfair tax. The credit will not come near to covering it. It hits the lower and middle-income groups most severely. I heard the minister in an unprecedented moment of frankness, and I caught his words and could not believe them, say: "This is a vision of Conservatism at its best". It surely is. It is conservative, regressive, unjust, and hits the lower-income groups at the expense of the average consumer. That is Tory vision all right. That is the myopic type of vision that is tearing this country apart and Canadians cannot wait to get at this minister, this Prime Minister, and this government.

What about food? Originally the government said the tax would apply to food. We protested on this side of the House. Canadians protested across the country. Canadians everywhere said: "We don't want a tax on food". Then on September 2, 1987, the Minister of Finance stated in this House, as reported at page 8700 of *Hansard*:

> Let me make it absolutely clear. There is no proposal in this document or any other document in Canada to tax food. That is a fact.

Those were the minister's words. That turned out not to be a fact. That was pure fiction, pure deception, another example of not coming clean with Canadians. The minister was not misunderstood because that afternoon and the next morning every headline in the country stated "no sales tax on food".

What is the situation now, as we find it in the bill? All food in restaurants will be taxed. All food in cafeterias, snack bars and a large percentage of grocery store purchases will be taxed. In other words, over 50 per cent of the food consumed by Canadians, of all food in this country, will now be taxed under this bill. That is the fact. That is not what the Minister of Finance told us a year and a half or two years ago.

To add insult to injury, the Prime Minister is trying to sell this as a tax cut. He is going across the country and he is saying: "You know, it is very simple. We got this manufacturers' sales tax of 13.5 per cent. We are coming in with a new sales tax which is going to be 7 per cent. From 13.5 per cent down to 7 per cent, you have never had it so good, you have never had it so lucky. We are reducing taxes for you". That is a dandy. That is the most unbelievably fraudulent way to treat Canadians that I have heard for some time.

I brought this to the minister's attention the last time we stood in the House on a similar occasion. I have not yet heard him play this particular game, but I wish he would take the same blackboard and explain it to the Prime Minister. It does not take a mathematical genius to figure out that with a new 7 per cent retail sales tax on any retail item, for instance furnishing for your home, an armchair at $300, a 7 per cent tax on that $300 for the armchair is $21. Right? If you go down to the wholesale price of that armchair, it is $100, because markup works that way. The wholesale price is about $100 while the retail price is about $300, and 13.5 per cent on $100 is $13.50, and 7 per cent on $300 is $21. Anybody who understands the market at all knows that a smaller tax at the retail level is bound to be a heavier tax than a larger tax at the wholesale level.

Last week the minister offered me a briefing. I suggest that I can arrange with one of the local high schools, perhaps Rideau or Laurentian or perhaps I can work it out with one of my colleagues here who had the honour of representing 19 high schools in his riding at one time, to give the minister a remedial course in basic mathematics. We may have to get into second or third-year algebra and maybe a little trigonometry to help take us through this particular document.

• (1620)

This tax does not meet any of the criteria that the Prime Minister and the Minister of Finance set out for the country during the election campaign and during the discussions when they set forth their original documents.

The tax is not yet visible. It is not simple. It is not fair. It does not have the co-operation of the provinces, and it is certainly not revenue neutral. I say to the minister, who keeps asking us for alternatives, that we set forth our alternative posture in the minority report. I am saying to the minister that this tax cannot be rescued. It cannot be salvaged. It does not meet any of the principles that he set forth as the basis for a fair tax of this style at the consumption level. It does not meet any of the criteria that the Prime Minister promised the country. This tax is nothing but a licence to print money for the Government of Canada and it is a licence that Canadians want revoked.

This tax will be coming out of everyone's pocket or purse. It will be coming out of our savings accounts, pension cheques, family allowance cheques, unemployment insurance cheques, budgets for clothes, shoes and food. It is going to come on top of our rental payments, mortgage payments and utility bill payments.

For the first time in the history of Canada, for the first time in the history of most countries, including the European countries that he sets forth as an example for his tax, we are going to have a tax on books, on learning, a tax on literacy. The Prime Minister in a hypocritical fashion talks, as we have talked, about the one million adult Canadians who can neither functionally read nor write in this country. We back him on this. Now there is going to be a tax on the books and material to overcome this scourge in our country.

We were a frontier people. The Governor General was sworn in today, and I am not bringing the Crown into this. He came from frontier stock, homesteading stock. At night under coal and kerosene lamps they attempted to educate themselves with any book they could buy, borrow, and sometimes they had to borrow it for some length of time before returning it. This tax puts a tax on learning, literacy and education for the first time.

It is also a tax on pollution control equipment. We talk about pollution, about our environment being a priority. It is a tax on sickness. It is a tax on housing. It is a tax on raising children. It is a tax on the necessities of life and, this minister is relentless, it is even a tax on death.

Why did we get here? We got here because of the government's own mismanagement. This is a tax to pay for the government's own incompetence. Even the minister's own business supporters confirm that he has not done the job he said he would do. He has had a strong economy in this country for most of his term, in fact for all of his term. Despite that economy with vastly increased government revenues, he has raised taxes on 31 separate occasions against Canadians over the period in which he has held office. They are unprecedented high revenues, 31 increases in taxes from all sources.

This same minister inherited a public debt about which he complained, but he has doubled the public debt of Canada, the whole cumulative debt incurred since Confederation in five short years despite those strong revenues, those tax increases. Canadians are saying: "That is not the custody we asked of this minister or this government. That is not the fiduciary way to handle the moneys of Canadians. We will not take it any more. You have not done the job. If you are trying to bail yourself out with this tax, no, sir, we do not want it. Scrap it." The people are saying scrap this tax and scrap this minister.

This minister and this government have made a complete mess of the fiscal situation. Now that they have botched it, they want Canadians to try to rescue them and pay the price. Apart from anything else, the timing could not be worse. The minister admits to the House of Commons and to the country that we are entering a period of slower growth. Recent analyses by financial institutions, the Bank of Commerce and the Royal Bank, most recently, indicate that we are in a period of slow growth.

The timing could not be worse. The timing of any tax and the timing of any expense is vital. It is crucial. This minister will throw us into a recession if this bill goes through the House of Commons.

Therefore, I say to the minister that we cannot help him rescue it. It cannot be rescued. This tax cannot be tinkered with. It is so fundamentally flawed that it has to be scrapped. The minister has to go back to the drawing board and withdraw the tax. It is a bad tax.

Canadians are fed up with the phoney rhetoric, with the breach of promises, the fact that it is a different style of tax than was promised. Canadians are fed up with a 7 per cent tax and they are fed up with this government.

I am saying to the Prime Minister and his minister that they better listen to what the people of Canada are saying to us and to your members. It is coming in loud and clear whether it is from Whitehorse, Vancouver, Saskatoon, Toronto, Corner Brook or Trois Rivieres. It is coming from the elderly, it is coming from students and single mothers, it is coming from the handicapped, it is coming from the old age pensioners, that's for sure. It is even coming now from the business community, and it is virtually unanimous.

Canadians are saying to this minister: "Scrap this tax. No more double-talk. No more extravagant newspaper ads. No more phoney sales pitches. No more of this tax.

Scrap it. Get rid of it. Bring us back something that makes sense."

Madam Speaker, to fulfil the force of what I have been trying to put to you in the House and through the House to the country, I move:

> That the motion be amended by deleting all of the words after the word "that" and by substituting the following therefor:
>
> Bill C-62, an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be not now read a second time, but that it be read a second time this day six months hence.

The Acting Speaker (Mrs. Champagne): Resuming debate on the motion and on the amendment.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I appreciate the opportunity to add the voice of the New Democratic Party to those 74 per cent of Canadians who have said that this unjust, unfair tax must go and it must go now.

The minister spoke about the fact that this is tough medicine but he has to do it. In my remarks today, I would like to suggest to the minister some of the real tough medicine that he might take in order to implement a real equitable fair tax system in this country that is not borne on the backs of the middle and lower income Canadians, but is shared fairly and equally in this country.

• (1630)

The goods and services tax is unacceptable because it rejects the fundamental principle upon which tax policy should be based, that those who have the means pay it. The principle should be that people should not be paying more than they are realistically able to pay and those who can afford to pay have a responsibility to do so.

The goods and services tax represents one of the most significant in a long line of Tory tactics which has meant a dramatic shift of the tax burden away from the corporations and the rich of Canada to the low and middle income Canadians, the unemployed, families living in poverty, seniors, working men and women. All these people are already struggling to make ends meet.

The goods and services tax is not only unjust; it is unnecessary. The message that I want to bring to the government today is that we in the New Democratic Party have concrete, realistic alternatives to this tax policy.

We cannot talk about the goods and services tax in isolation from the other economic and fiscal policies this government has put into place. It is an intrinsic part of the corporate agenda of this government. We have seen the U.S.–Canada trade deal, high interest rate policy, the clawback on pensions and family allowances, destruction of the unemployment insurance programs, and now the goods and services tax. They have all been part and parcel of that agenda, and Canadians are beginning to realize what this means for their daily lives and for the future of themselves and their families.

The fact is that the government's economic record is a record of economic mismanagement. Let us look at what happened in 1989 alone: There were massive lay-offs—the Canadian Labour Congress estimates some 70,000 jobs lost as a result of the trade deal—interest rates out of control; growing regional disparities; devastation in the Atlantic region; deepening poverty; food banks and homelessness.

Again just last week the Institute on Child Health pointed out that poverty has increased to the extent that there are certain regions, and it names specifically Newfoundland and Saskatchewan, where infant mortality up to one year is far higher in those provinces that have a higher rate of poverty. The link is very clear.

What does the government have to show for its efforts? An increasing gap between the rich and the poor, increasing poverty, and now a 7 per cent goods and services tax. Even in the years when our Gross National Product increased, the question arose as to who benefited from it?

It was not the people of Canada. They faced more tax increases than ever before. Their wages remained the same while their standard of living declined and they saw unprecedented reduction of crucial government programs and services. Now the minister is saying that he wants to see the workers of this country increasingly bear the burden of this tax.

In his remarks he pointed out that he does not want to see the workers asking for increases in their wages to compensate for this tax. Once again, the Conservative

agenda is to ensure that it is borne on the backs of those who can pay the least.

While this government talks about different statistic trends, the working men and women of Canada have been asking when the government is going to start to improve the well-being of working people in this country.

The fundamental problem remains that this government believes that economic development means creating more wealth for those who already have wealth in this country. That is what it has done and that is what it is continuing to do with this new proposed tax policy.

[*Translation*]

Let us take a closer look at this goods and services tax. First of all, consider the whole process.

Madam Speaker, during the 1988 election campaign, the Conservative Party told Canadians the economy had never been in better shape. The impression it gave was so optimistic even the brightest experts were fooled.

It promised billions of dollars. The government kept saying these dollars were available thanks to its excellent financial management. Of course, they would introduce a goods and services tax, but not to worry. It would merely replace the manufacturers' sales tax. It would not generate new revenues.

During the election campaign they never talked about rising interest rates. They never talked about cutbacks in social programs. And they never said one word, Madam Speaker, about the deficit.

[*English*]

We all know what happened. About 30 seconds after the vote was counted, the Prime Minister, the Minister of Finance and all of the Tory revisionists started telling us that everything was not so great after all. We were told that Canada was facing a deficit crisis, one that was threatening the very economic foundations of our nation. They did not say, of course, that this deficit was doubled by this government.

Suddenly the government said that it could not afford to fulfil spending promises it had made weeks before. And what followed, all in the name of reducing the deficit, was an unprecedented attack on the social programs of this country. All of a sudden, the goods and services tax was going to involve a whopping tax increase and GST revenues were to be used to fight the deficit.

At the same time we were told that the goods and services tax was revenue neutral.

[*Translation*]

The promise that the new tax would be revenue neutral was the first promise they broke, but many more followed.

The government promised that the GST would be visible. It promised that the GST would be easy to administer. It promised that the provinces would be consulted to ensure that the tax would be fair. It promised that the price of housing would not affected. It promised sufficient credits for low-income families. It promised that essential goods would be exempt. Promise after promise was broken, and in the end, Canadians were taken for a ride.

[*English*]

What are the implications of the goods and services tax? What does it mean for Canadian nurses, miners, teachers and taxi cab drivers? What does it mean for families in the Atlantic, seniors in Quebec, youth in the west, women in the north? It means, of course, that Canadians will be handing over more of their earnings to the government. Those who earn less will be paying a bigger portion of their income through the goods and services tax than those who make more.

Mr. Wilson (Etobicoke Centre): Wrong.

Ms. McLaughlin: The goods and services tax is a regressive tax. What that means in plain and simple terms is that it makes the poor pay a bigger slice of their income in tax than the rich. It does so because those Canadians with lower incomes spend virtually all their income on necessities.

The minister has said I am wrong. Let me illustrate. According to Statistics Canada, Canadian families with incomes between $10,000 and $15,000—and there are many of these—spend 92 per cent of their income on purchases, on current consumption. It is that consumption that is taxed by the goods and services tax. They are paying 92 per cent of their income just on essential purchases and now they are being asked to pay, should this bill pass, another 7 per cent.

Families with incomes over $50,000 spend on average only 56 per cent of their income on current consumption.

The remainder, any savings or investments, is free of the goods and services tax. That simply is not fair.

• (1640)

We have families who are spending virtually all their income simply to purchase those goods and services they require to live. We have others, and that includes the members of this House, who statistically spend about 56 per cent of their income on consumption and are in a much more advantageous position than those with lower income. This just simply is not fair.

The minister I am sure is saying that he will compensate those low income Canadians through tax credits. The government is not compensating low income Canadians for the inflationary effect of this tax. Indeed, with the reduction of the proposed tax from 9 per cent to 7 per cent those tax credits were reduced as well.

Who are these Canadians who will be paying and suffering from paying this goods and services tax? What about the single mother who has just lost her job at National Sea Products? She will be paying an extra 7 per cent on her children's clothes and on her children's shoes. The line worker recently laid off from Gillette in Quebec will be paying GST on his purchases. Thousands of workers laid off from VIA will be paying the GST on school supplies and on every purchase and service that they make. Seniors hit by the government's clawback will now have the GST to contend with when buying non-prescription drugs and other purchases.

The regional effect cannot be overlooked. The minister will try to counter these effects by his proposals, but we on this side of the House do not buy it. Canadians do not buy it. There is no trust that this government will in any way be able to make this tax fair for the real people across Canada, the people who this government does not want to talk about, the people of Canada who have suffered most because of this government's regressive policies.

Something must be said, as I said earlier, about the tax credit which the finance minister talks about, the tax credit that he says will mean the poor will not be paying more under the goods and services tax. Yes, it will help some Canadians, but I emphasize only some. Millions of Canadians who live below the poverty line will be hurt by the goods and services tax. Their taxes will go up and they will simply have less money to meet their needs.

Second, the tax credit is not indexed to inflation. This means of course that each year fewer and fewer low income Canadians will actually qualify for the tax credit.

The Pro-Canada Network has probably described it best:

> Like an umbrella that shrinks in the rain, the GST credit will soon shrink to allow the GST to soak millions of dollars from people who are too poor to pay.

Let me make one final point on this supposed protection. When this government decided to change the goods and services tax to a rate of 7 per cent, it made several adjustments to meet the difference in revenues it anticipated. But where did those reductions come from? It is not hard to guess. They came, of course, not from corporate Canada, not from high income Canadians. It was small business, and it was poor Canadians.

Nothing illustrates better this government's attitude to the poor. It treats them with contempt and scorn, and this government's record has been disgraceful. It has institutionalized poverty in one of the most generously blessed countries in the world.

We on this side of the House want to see a country where poverty is eliminated, where we can work toward doing that. The former leader of our party spoke eloquently and passionately about this matter on his departure from this House and set for us a goal that all Canadians should embrace. We ask and we plead with this government to embrace the goal that we must reduce poverty in this country. We must not add to it as this government is doing.

I talked earlier about the regional effect of this tax. All regions of this country will suffer under this tax, but nowhere will the suffering be worse than in the Atlantic provinces that have been so hard hit by this government's policies.

First, there is a tax on freight transportation, making it even more expensive for people in the Atlantic region to ship goods to the populous markets of Canada and the United States and making it even more difficult to compete with industry in central Canada.

Second, employment in the Atlantic region is heavily dependent on the service sector. Services account for some 79 per cent of the region's Gross Domestic Product. According to the Conference Board of Canada,

any region dependent on the service sector "would be relatively more adversely affected by the goods and services tax than a region that is less heavily dependent on services".

I mention also the Nova Scotia Board of Tourism which initially supported the concept of the goods and services tax but has withdrawn its support saying that it will devastate the tourism industry in that area.

We in the New Democratic Party say it is time to stop punishing the people of Atlantic Canada. It is time to introduce reforms that will revive their economy, not tax measures that kick them while they are down.

[*Translation*]

What does the GST mean for Quebec, Madam Speaker? It means that goods that previously were not taxable, such as furniture, clothing, textiles and shoes, all essential goods, will be taxable under the GST. It means an increase in the price of new homes and in rental costs, as well, since landlords are obviously going to pass on the tax to their tenants. I may add that 75 per cent of Montreal residents are tenants. Like everywhere else in the country, the GST means inflation, a headache for small business and inequity for the poor.

That is why the Confederation of National Trade Unions, the Federation of Co-operative Family Economics Associations of Quebec and the national federation of Quebec consumer associations are against the GST.

[*English*]

I have two final points on the goods and services tax. First, in addition to its direct damage it brings with it many side effects. Items that are not themselves taxed will eventually end up costing people more.

I would like to give just one example. Child care is not going to be taxed, as we know, but child care costs are inevitably going to be higher when the child care providers have to pay taxes on all supplies and services that they buy. Again it will be the parents who will have to pay that additional cost.

In short, the GST introduces a dangerous inflationary effect into the economy. This inflation will affect everyone: farmers, fishers, forestry workers and family physicians. While prices go up, wages will be suppressed and the real standard of living of millions of Canadians will decline.

If this government thinks that pushing the goods and services tax from 9 per cent down to 7 per cent will be met with shouts of joy from the mountain tops, it can forget it. The polls indicate that and, as we have said before, this party is going to express the voice of Canadians inside this House and outside this House.

The minister mentioned the manufacturers' sales tax, that silent killer of jobs. When I was a member of the finance committee I asked officials how many jobs this silent killer killed. They were not able to say. When it was decided by this government to augment the manufacturers' sales tax, not once, not twice, not three times, but four times, I asked how many jobs it had estimated would be lost by this move. Obviously, the silent killer of jobs was so silent there were absolutely no figures to prove that assertion.

We know that the goods and services tax will not stay at 7 per cent and will be right up there at 9 per cent next year or the year after. It will keep going up in order to pay for this government's wasteful and inefficient economic policies.

• (1650)

This tax is opposed by more Canadians than any other policy in the history of this government. It is opposed by labour unions, women's groups, farmers' associations, senior citizens' groups, and small business people. Never before has such a coalition been formed. Can this government not hear that message? The message is that this tax must go.

Let us put the tax in the context of the government's economic agenda. First, let us look at the goods and services tax and high interest rates. Nothing demonstrates more graphically the consistency and coherence of our finance minister's approach to the economy. The hon. Leader of the Opposition talked about bringing a blackboard in to explain some of the convoluted instructions around the collection of the GST. We would like to see what the government's economic agenda looks like when it is really explained in simple terms.

As all the members of this House know, the government has been deliberately pursuing a policy of high interest rates. Never before has there been such a gap between the Canadian rate and the American rate. The stated goal of the policy is to keep inflation down. What

better way to keep inflation down than to introduce a tax which is universally recognized as inflationary?

What does the goods and services tax mean, therefore, in terms of interest rates? It means inflation, resulting in the government jacking up interest rates even further, according to that logic if we can call it logic.

Let us look next at the relationship between high interest rates and the deficit. We must recall that this government is "dead serious about reducing the deficit" and that we have often proposed that one of the best ways of reducing the deficit is to bring interest rates down as was proposed by the all-party finance committee.

By the finance minister's own calculations a 2 per cent reduction in interest rates would bring the deficit down by $3.2 billion in the first year alone. Let us make sure that we all fully grasp the logic of all this. The government claims that its No. 1 enemy is the deficit. The government is deliberately implementing an interest policy that pushes the deficit out of control and, to complete the circle, the government is imposing a goods and services tax which will add to inflation according to its own assessment.

We then have a goods and services tax which raises inflation and puts pressure on interest rates. What then is going to happen to the GST rate if interest rate pressures on the deficit grow? Of course it is going to go up.

I think Canadians know the process without being told, but I do not think the government knows this. It has a goods and services tax that leads to inflation. Inflation according to this government leads to high interest rates. High interest rates lead to a huge deficit, which leads to an increased goods and services tax.

There is a simple lesson which Canadians have learned long before, without it being pointed out by me. That is why 74 per cent of Canadians are saying that this tax must go.

[*Translation*]

Perhaps we should tackle this issue from another angle. How will the GST contribute to spur the economy and create jobs?

Allow me to give you some of its effects. Basically, the more heavily one is taxed the less money one has left to buy goods and services. Since they already have a limited budget, the workers will have to make fewer purchases.

High interest rates and a lower standard of living will reduce demand for consumer goods and lead to smaller wages and lay-offs. High interest rates mean an inflated Canadian dollar.

As we saw last year that translates into fewer exports and a good many plant closures.

Small and medium-sized businesses are the main source of new jobs in this country and, by forcing them to administer this tax, the government will create serious problems for thousands of such businesses. So much so that they no longer will be able to create new jobs. On the contrary, they will have to eliminate existing jobs.

[*English*]

All this compounds an already intolerable situation caused by this government's trade deal with the United States. I along with millions of Canadians heard the Minister for International Trade say last week that it is really too early to tell about the effects of the trade deal. I say that it is too late for those workers at Inglis, at Outboard Marine, at Dominion Glass Plant in Redcliffe, Alberta, the Campbell Soup company workers in Portage la Prairie or thousands of Canadians working in the fisheries.

I want to say a few words about alternatives. While the hon. Leader of the Opposition spoke eloquently against the goods and services tax he did not in reality offer real alternatives. I want to say that we have presented to this government alternatives, alternatives which I am happy to debate with the minister. There have been dozens of alternatives proposed in hearings across this country on the goods and services tax.

First, most people understand that we do not have a fair tax system. It is not that people do not want to pay their fair share; it is that we do not have a fair system. It is that increasingly individuals have paid the largest tax burden where in the past it was corporations. This government has done nothing to redress this imbalance. It has only increased it by reducing the general federal corporate tax rate from 36 per cent to 28 per cent in

1988. The corporate share of the tax burden has declined consistently and substantially under this government.

We know that it was Liberal governments which started the trend. It was they who began shifting taxes from the business community on to working Canadians.

The New Democratic Party's corporate tax proposals are reasonable and prudent. I am going to outline these briefly. First, as I mentioned earlier today, we are calling for the introduction of a minimum corporate tax. Thousands of profitable corporations are not paying their fair share. This is not a radical idea; it is not even a new idea. The United States has a minimum corporate tax as do many other countries.

Let us think of this. While families living below the poverty level are paying taxes, some profitable corporations are paying none. This is not acceptable to Canadians. What we are saying is that a corporate minimum tax at a rate of 20 per cent should be introduced.

Our second phase of corporate tax policy is related to deferred taxes. Each year corporations in Canada defer roughly $2 billion in taxes. These deferred taxes act as a permanent source of funding without interest. We are saying that there should be interest charged on these deferred taxes.

Certainly, if Canadians across the country borrow money, they have to pay interest on that money. We are simply asking that that be done for corporations.

Another suggestion is that the government should clamp down on corporate cheaters. Revenue Canada's auditing of corporations has declined dramatically over the last decade. Yet for every dollar Revenue Canada spends collecting corporate tax returns it recovers $17. Surely, more funding should be put into that area so that we can recover the taxes that are rightly owing.

Finally, I would like to say something about modifying the system of taxation. The government said at one point that all of its policies would have an environmental review. What about the effect of this tax on environmental matters?

First, there is no incentive for people to buy more environmentally friendly products under this kind of system. Surely, this should be fundamental to the kind of tax reform that this government undertakes, if it cares about the environment and if it cares about making a truly fair tax system.

• (1700)

Therefore, the final tax policy proposal I will put forward is that a royal commission on taxation be established. There has not been one, Madam Speaker, as you know, for about a quarter of a century and we are sorely in need of genuine tax reform.

I am suggesting that the commission's mandate should be manyfold. It should determine how the government can best attain stable revenues through the tax system, determine how the tax system can be used to promote full employment, and determine how the tax system can be used to promote a more equitable society.

Finally, the royal commission must be charged with creating a tax system that takes into account the environmental aspects of our purchases and, indeed, of our system, a system that recognizes that the protection of our natural environment is the most fundamental issue facing Canadians and all humanity today.

I would conclude by saying that this goods and services tax must go. This is an unfair tax and an unjust tax. What this country needs more than ever is a tax system that is progressive, equitable and just. What this country needs is a reduction in interest rates, a full employment policy, an enhanced trading relationship with Europe and Asia, a strong system of social programs to serve the needs of Canadians.

As Leader of the New Democratic Party, and on behalf of millions of Canadians from all walks of life and from every region of this land, I urge this government to scrap the goods and services tax and to introduce genuine, sound and equitable tax reforms so that we can meet the needs of the people and the challenges which lie ahead.

Some hon. members: Hear, hear!

The Acting Speaker (Mrs. Champagne): According to the order made earlier this day, the House will now proceed to a one-hour question and answer period.

I am told, and I realize that there are quite a few members who are prepared to ask questions of the minister. I think if preambles were kept as short as

possible, it may allow a greater number of members to ask questions of the minister.

I will recognize first the hon. member for Gloucester.

Mr. Young (Gloucester): Madam Speaker, after that impassioned and resolute attack on the GST, it is difficult to have a very long preamble. Certainly the NDP has taken over the issue with a great amount of gusto and verve.

My question for the Minister of Finance arises from his speech to the House today, particularly his comment with respect to the monitoring that is going to take place on the information that will be available to Canadians.

The Minister of Finance will know that many, many Canadians, 74 per cent, still oppose this tax. Although it is alleged that it is because Canadians do not understand it, can the Minister of Finance tell us how Canadians can depend on this monitoring system that he well knows will not have any teeth, or any enforcement function? Can he tell us how he sees this monitoring agency defending the interests of Canadians and ensuring that the 13.5 per cent alleged saving by the dropping of the manufacturers' sales tax is, in fact, passed on to the consumer? How exactly does he see his monitoring system work?

Mr. Wilson (Etobicoke Centre): Madam Speaker, I am curious when I hear the hon. member saying that he wants an agency with teeth. What he means when he says that is he wants to set up an anti-inflation board type of bureaucracy so that on the one hand he is saying, set up this great big bureaucracy, but on the other hand, do not go ahead and hire 3,500 new people to administer the system. He cannot have it both ways, but this is symptomatic of the way the Liberals are dealing with this issue. They are sucking and blowing. Canadians are not going to fall for that.

In response to the specific question, how will the monitoring agency operate? First, it will be in the Department of Consumer and Corporate Affairs. It will provide information to individual Canadians so that they will know how much existing manufacturers' federal sales tax is in the price of various products and what they can expect will happen as a result of the introduction of the GST to the price after tax of various products.

This information will be made available subsequent to the introduction of the GST, then they will help companies ensure that they do pass through to the maximum extent possible.

We have started this process. I indicated in the paper that went out earlier this year that the price of a car will go down about 3 per cent or 4 per cent.

Mr. Benjamin: You want to bet?

Mr. Wilson (Etobicoke Centre): The hon. member says, "You want to bet?" The car companies have said that they are going to pass this savings on to their retailers and if the hon. member had any sense as to what is going on in the car market today, he will know that there is tremendous competition. There is cutting of interest rates. There is cutting of price. There are $1,000 rebates that are promised for the full year by some of the companies.

Surely, the member understands that there is a great deal of competition to maintain market share. On that basis, I am confident that the market system will work. That, I think, is probably the best answer that I can give to my friend from the county of Gloucester.

[*Translation*]

Mr. Young (Gloucester): How interesting it is to see that our socialist NDP friends have now recovered their energy, for they had precious little to rave about when their leader had the floor of the House.

I want to direct a supplementary to the Minister of Finance. Should companies fail to make sure that the 13.5 per cent is no longer tacked on to production costs, and when your agency responsible for monitoring the implementation of the GST sees what is going on, in other words the money supposedly saved by consumers is not readily apparent in lower retail prices, just what will happen then? Will the agency to which you referred in your remarks be empowered to force these producers to roll back their prices, or is that simply something which will provide you with an opportunity to draw the consumer's attention to the situation?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think that the English translation of what the hon. member said was would the monitoring agency oblige. In other words, I take from that that he is asking whether the monitoring agency would force a rollback. No, they will not be able to force a rollback. Constitutionally, there has to be a national emergency before there would be

that sort of power. That is why the previous Liberal government with the six and five program did not have the full force that could have come from that type of program.

I want to underscore the point that I made just a minute ago. I get this question a lot from Canadians. How can we be assured? It is not possible for the government to give an absolutely precise guarantee.

What people who ask that question are saying, if they want to have a rollback, is that they want to set up the establishment of a large bureaucracy for basically what will be a six-month to a one-year problem, which is something that we would not be prepared to do.

We believe that the market will resolve the problem as was indicated through the experience of other countries, particularly New Zealand. We heard in the finance committee hearings that companies which tried to get too much by way of price in the implementation were forced to roll back their prices not by government decree but by the power of the marketplace because someone down the street kept their prices down, started to get market share and, as they started to get market share, the competition worked and prices were rolled back.

Mrs. Marleau: Mr. Speaker, in his remarks, the hon. Minister of Finance stated that this tax and I quote his words, "is deeply rooted in reality." I would like to ask the Minister of Finance whether he really understands the reality of low income.

• (1710)

Does he really understand the reality of a single mother trying to house, clothe and feed herself and her family? Does he understand the reality of a 7 per cent increase on the cost of heating their homes, especially for people who live up north where cold is very much an every day fact of life?

Does the minister understand the reality of adding a 7 per cent tax to the cost of transportation? What does the minister plan to do about these realities?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the simple answer to the question is yes, I do. I do understand the reality of people who are on low incomes. That is precisely why we introduced a refundable sales tax credit in 1986 and have increased it on two occasions since then. That is precisely why we have placed such a level of importance on the goods and services tax credit, precisely so that we can put Canadians who are in low-income brackets in a better position than they are after sales tax reform than is the case today.

Some 84 per cent of senior citizens and single-parent families will be better off as a result of sales tax reform. Surely that tells the hon. member that we do believe in this and that we do understand its significance. We want to move ahead with sales tax reform so we can make that major change in the position of people who are on low incomes.

I have listened very carefully to the Leader of the New Democratic Party who said that Canadians in low-income brackets would be paying more tax after sales tax reform. That is simply not true. She does not understand the impact of the goods and services tax credit.

I listened to my colleague on the other side of the House, also from the New Democratic Party. She said that 92 per cent of their income is paid on the necessities. What are two of those necessities? Rent and food. Those are not taxed. She gave the clear implication that they were taxed, and I would expect that she would withdraw that implication once she gets on her feet.

An hon. member: Order!

Mr. Speaker: There is a very great temptation under the arrangement to enter into lengthy debate. But I would ask the minister to try to confine his answers to the question that is put.

Mrs. Marleau: Mr. Speaker, if the Minister of Finance is so understanding of the realities of his tax on poor and low-income Canadians, then why has he only partially indexed his tax credit? Why has he not regionalized his tax?

The reality of his partially indexing this credit is that within five years, half a million Canadians will no longer qualify for his refundable tax credit. What does he plan to do about that?

The minister certainly understood about indexing when it came to RRSPs. In his latest proposal he will fully index the range of amounts of moneys that rich people can invest in RRSPs.

Will the minister understand the realities and scrap this tax? There is nothing good about it.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we get the same old rhetoric from the Liberal Party. I have listened to the leader's speech, and not once was there any suggestion, any hint that there was one idea of what alternatives would be.

I have listened to two questioners now, the junior finance critic and the hon. member who spoke most recently, but I heard not one suggestion as to an alternative. I listened to the six would-be leaders of the party last Sunday afternoon and again heard not a whisper of an alternative. They simply do not have the alternatives.

On the question of partial indexation, yes, the tax system is partially indexed. Let me go back to the refundable sales tax credit because that is a very good example of how we have adjusted upwards the thresholds to reflect changing circumstances. We started at $15,000, we moved that up to $16,000, then up to $18,000, and now with the goods and services tax credit, it is $25,000. Surely that is an indication of our good faith here in responding as things change.

We have done the same with other parts of the tax system, for example, in 1988 when we had personal income tax reform. So, therein two very clear examples is an indication that we are sensitive to the concern that the hon. member has expressed.

Ms. McLaughlin: Mr. Speaker, the Minister of Finance claimed earlier that to introduce a corporate minimum tax would be to send business investment fleeing from this country. If this is the case, I would ask the minister how he can explain the fact that in the United States, which introduced a minimum corporate tax in 1986, the rate of business investment since the introduction of that tax has grown at an annual rate of 6 per cent, almost triple the rate of the previous five years.

I ask the minister, given this evidence, would he not consider the imposition of a 20 per cent corporate minimum tax so that corporations are paying their fair share?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me ask the hon. member a question. The corporate income tax rate for small business is 12 per cent. She is saying that she wants a corporate minimum tax of 20 per cent. Is she proposing the increase of the—

Mr. Barrett: Graduated. Don't twist it, graduated.

Mr. Wilson (Etobicoke Centre): Well now, we have some adjustments here that the hon. member from Victoria would have us use.

Is the hon. member suggesting a minimum tax of 20 per cent on small business? Is she suggesting companies that are basically conduits for dividends, holding companies, where the dividend income is paid with respect of income where taxes have already been paid should be taxed twice or three times?

Mr. Barrett: Well, come on.

Mr. Wilson (Etobicoke Centre): The hon. member says, "Well, come on". Let us have some explanations as to what the New Democratic policy is going to be.

There are 3,500 or 3,600 companies which are paying the large corporations' tax. Those companies are paying about $1.25 billion in large corporations' tax. That is levied on companies which have capital of over $10 million.

She is saying that there are thousands of companies which are not paying tax. I think the NDP has put a number on that of some 90,000 companies or thereabouts. That, by definition, means that 85,000 small businesses would be paying this minimum tax. Is that what the hon. member is saying that her party supports?

Ms. McLaughlin: Mr. Speaker, of course that is not what I am suggesting. It is this government which is penalizing small business, not the New Democratic Party.

I point out to the minister that of the $27 billion in profits which went untaxed in 1987, 84 per cent of that $27 billion in untaxed profits was held by companies with profits over $1 million. That is not small business. The biggest winners were the top 145 untaxed corporations which have average profits of over $106 million each. They did not pay one cent in tax.

If the finance minister is concerned with small business, as he suggests and as this party is, will he then reconsider and assist small business to reinstate the administrative assistance that he took away on reducing the GST from 9 per cent to 7 per cent, reinstate those administrative funds for small businesses so that they can survive this tax?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, what the hon. member is pointing to is what was one of the quite difficult decisions of moving the tax rate down from 9 per cent to 7 per cent. How were we going to treat the assistance that we were providing small business?

We looked at different options here but we felt, as a trade off, in getting the rate down from 9 per cent to 7 per cent that we could afford to pay an up-front transitional payment to small businesses to help them get through those one-time costs but that we could not do on an ongoing basis because then we would not have been able to get the rate down to 7 per cent. I think that the small business community was quite anxious to see us come in with a lower rate.

• (1720)

The hon. member keeps talking about a corporate minimum tax. One of the things that we have done is cut back on the loopholes that were in the tax system that corporations were taking advantage of as well as some of the tax benefits that were there over a number of years.

Mr. Riis: Who put those loopholes in there?

Mr. Wilson (Etobicoke Centre): The Liberals. I think the hon. member knows that. The scientific research tax credit, limited partnerships, carve-outs, capital trusts, collateralized preferred shares, a preferred share dividend tax, a general anti-avoidance rule, new rules on leasing, on dividends, on rentals. We eliminated the investment tax credit, the inventory allowance, earned depletion. We capitalized real estate interest expense. We reduced a number of reserves for banks, trust companies and insurance companies.

In many ways, we have broadened the tax base for corporations so that they are paying considerably more tax. Banks, as an example, are paying over $500 million this year in tax. Two or three years ago, they were paying nothing.

Mr. Manley: Mr. Speaker, in his remarks today, the minister made a great deal of the fact that the move from the MST to the GST meant the elimination of tax on business inputs, as he called them. I think he agrees that the design of the system is to move the tax from the manufacturers' or the business level to the consumer level.

Given that that is the plan of this tax, will the minister admit to Canadians that the move from the MST to the GST represents the single largest reduction in tax payable at the corporate level in the history of Canada?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the hon. member is quite aware that any consumption tax is ultimately paid by the consumers. It is there in black and white. What we are doing is making sure that consumers see the tax they are paying so that it is not a hidden tax.

Some hon. members: How, how?

Mr. Wilson (Etobicoke Centre): The hon. members ask, "how". It will be very clear on the cash register chit so that people will see how much tax they are paying. As I said in my speech, the GST will be a far more visible tax today for the consumer than are the provincial retail sales taxes.

Mr. Fontana: Big deal, you see it.

Mr. Wilson (Etobicoke Centre): It is a big deal. On the one hand, we have the Leader of the Opposition saying: "Make it more visible". On the other hand, we have the member from London East saying: "Big deal". Again we have the Liberal Party talking out of both sides of their mouths.

Mr. Manley: Mr. Speaker, I would be glad if the minister answered the question out of either side of his mouth.

One of the things he said just now, and he said it in his speech earlier today, was that the move to the GST was going to make it more difficult for governments to kind of sneak in tax increases. He said it is all going to be visible. He is nodding his head. He agrees with that.

Well, he also said some pretty extreme things about the manufacturers' sales tax, describing how bad it was. We all know that in the five years he has been in office he has raised that tax from 9, to 10, to 11, to 12, to 13.5 per cent.

Will the minister not admit that the reason he raised this terrible tax so many times was precisely the reason he gave in his speech, so that he could sneak it past Canadians? Will he not admit that this change is the biggest reduction in tax payable at the corporate level in the history of Canada?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I will answer the question exactly the same way as I did before. Any tax on consumption, which is what a sales tax is, whether it is a federal sales tax at the manufacturing level or a provincial sales tax at the retail level or the goods and services tax, any tax on consumption is paid by consumers. Consumers are individuals.

An hon. member: Is it regressive?

Mr. Wilson (Etobicoke Centre): The hon. member asks another question: Is it regressive? I say to the hon. member that the existing sales tax is a regressive tax. I think we would both agree on that.

With the introduction of the goods and services tax credit so that Canadians in low-income brackets, after sales tax reform, will be paying less as a percentage of their income than people in upper-income brackets makes it a progressive tax system. That is not the case today. It was not the case when we came into office in 1984.

We did this principally because we wanted to improve the fairness of the tax system, particularly for those in the low and middle-income brackets. As I said, 84 per cent of seniors and single-parent families will be paying less sales tax, including the effects of the GST, than was the case before.

Mr. Fontana: Mr. Speaker, across Canada the average price of a new home is expected to reach $151,900 in 1990. That means the average family would need an annual income of some $65,000 or more to reach for the Canadian dream of owning a home. But in 1988, the average family income was only $46,185. That means family incomes and salaries must increase by 41 per cent by the end of this year before the average Canadian family can own the average Canadian home.

My question to the minister is this: These figures are a clear indication of Canada's growing housing crisis and rather than addressing the problem, why is the federal government adding to the problem with the 7 per cent GST and inadequate rebates for housing?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me explain for the hon. member how the rebate works and speak about the tax on new housing. I should just make it very, very clear because both the Leader of the Opposition and the Leader of the New Democratic Party left the impression that there would be a 7 per cent tax on the whole price of the house without the rebate.

There will be a rebate so it is 7 per cent less the 2.5 per cent rebate for a net of 4.5 per cent. We agree on that. I think the hon. member is nodding his head.

Today there is a tax at either 13.5 per cent or 9 per cent on building materials, plumbing supplies, windows, rugs, wallpaper, a large number of things that go into a new house. The effective tax rate of all that, in relation to the total price of the house, is somewhere in the 3 per cent to 4.5 per cent range depending on the place in the country. I think in his community of London it is in the order of 3.5 per cent or 3.75 per cent.

So the impact on the price of a house may be zero or it may be as much as 1.5 per cent, which is the case in Metropolitan Toronto. I think by bringing in the rebate of 2.5 per cent, we have been able to address the problem that he and I are both concerned about and the impact it can have on the housing market. I believe we have done this in an effective way.

Mr. Fontana: Mr. Speaker, the minister will know and understand that there is no tax on land and there is no tax on housing under the current MST. He has now admitted that even after his complicated formula—the rebates and what have you—that the net increase is still going to be as much as 2 per cent across this country on prices of housing which are already too high.

Now that he has admitted to the fact that there is going to be at least a 2 per cent increase on new houses, the industry says that is going to affect existing housing to the tune of about 2 per cent to 3 per cent. How has the minister answered the question of affordability by adding even after the rebates another 2 per cent to housing for Canadians?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member, like his leader, is distorting things again. He just said 2 per cent is what I said. I did not say that. I said it could be up to 1.5 per cent, but it could be zero. In some communities it will be zero. We have some examples where there will be an actual small reduction in the over-all cost of a house.

I have heard this distortion today from the Liberal Party and what the tax is applied to. The Leader of the Opposition said it was applied to education. Wrong. It is

not applied to education. It is applied to rental housing. That is wrong. It is not applied on rental housing. The member quite distorted what I have said on food. I have indicated all along that take-out food, restaurant food from his favourite restaurant, Winston's and places like that, will be subject to tax.

• (1730)

I think it would help the understanding of this particular proposal if we dealt with the facts and not with the distorted imaginings of hon. members opposite. It is those distortions which are a great frustration to Canadians who are trying to understand what it is all about, what the tax will do, how it will improve the economy and how it will affect them in their day-to-day lives.

Mr. Nystrom: Mr. Speaker, the Minister of Finance has been talking about distortions. I want to ask him about one of his favourite distortions which is telling the Canadian people that the existing MST, or the existing FST, which in 1991 will total about $18 billion, according to the Department of Finance, will be passed on in its entirety to the consumers of this country.

Will the minister tell us today what kind of evidence or proof he has that the existing manufacturers' sales tax will be passed on to the consumer; that the existing FST will be passed on to the farmer, the worker and the old age pensioner? What study does he have that says that that will be the case? I have not talked to any business people in this country or any manufacturer in this country who believe for a minute that the entire existing $18 billion will be passed on. Instead, there will be a further price increase for the consumers of this country.

Will the minister tell us what study and what empirical evidence he has that the existing federal sales tax will be passed on? Is it not the truth that we are going to keep the major part of the existing tax and add a 7 per cent tax on top of that, and the whole thing will be inflationary and hurt Canadians from coast to coast?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the hon. member was doing just fine until he threw in that last one. He knows perfectly well that what he just said was a gross exaggeration, a gross distortion of what will happen. I answered that same question from the member for Gloucester. He can check *Hansard*, I guess he was out of the House. But in the interest of saving time for other people who want to ask questions, I will not repeat what I said in that previous answer.

It is that distortion, the things that the hon. member just said at the end of his question, which cause people in this country to lose confidence in their political representatives.

Mr. Nystrom: Talk about losing confidence, Mr. Speaker, I want the minister to answer the question. What guarantee can he give the people of Canada that the existing manufacturers' sales tax will be passed on to consumers of this country? What guarantee is there? What study does he have to back up the fact that he keeps repeating and repeating in this House that the existing tax will disappear?

I need some evidence of what he is basing that statement on because nobody believes him. Even his own back-benchers do not believe him. Answer that question and cut out all the rhetoric.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I was trying to save House time so that other people could ask questions. I have responded to that precise question from the hon. member for Gloucester.

What I have said continually through this whole debate on sales tax reform is that it is very important for businesses and labour to conduct themselves in a way that will allow the maximum amount of savings of that $18 billion. No guarantees can be given, unless the hon. member wants to have an anti-inflation type of board, a bureaucracy and machinery established. That is the only way that that guarantee can be given.

But it is quite clear from what has happened in other countries that the power of the marketplace, the power of one company, one retailer down the street trying to get some market share out of someone up the street will result in the vast majority of those savings being passed on to consumers.

What I am hearing from both the Liberal Party and the New Democratic Party is quite the opposite of what they should be saying. They should be encouraging business and labour to ensure that the right actions are taken so that we do not have that inflationary impact.

By taking the line that both parties have taken in this debate this afternoon, it is encouraging people to try to get a little bit of savings.

• (1735)

[*Translation*]

Mrs. Maheu: Mr. Speaker, since the Minister could not come to an agreement with the provinces, small businesses will have to deal with complex administrative problems because Canada would be the only country in the world with two different taxes on goods and services. How can the Minister claim to have come up with a simple tax system when small businesses will have to deal with multiple rates and exemptions, as well as different audit systems and penalty structures?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, it has always been my first choice to have a national sales tax, a joint tax with the provinces. I understand the desire and the need of the small-business community to have only one tax system. Unfortunately that was not possible at this time. Possibly and hopefully, some time down the road we will achieve that but it will have to be, at this point, a two-step process.

However, in order to eliminate or minimize the complexity and the compliance problems of having the two systems in place, we are having extensive discussions with the provinces now. We are doing it province by province on a bilateral basis. We had a full meeting with the representatives of all the provinces about a week and a half ago and we are having another meeting, I believe, some time next week.

The objective of this is to try to harmonize systems, to try to see where we can do things together in such a way as to reduce, and hopefully in some cases, eliminate, the problems we are facing. That is the best that we can do at this point. We are very sympathetic to the point of view that the hon. member expresses and that is why we are approaching these meetings in a very positive way.

[*Translation*]

Mrs. Maheu: I have a supplementary question, Mr. Speaker. Why won't the Minister make a commitment today to make good on his promise of a simple tax and to withdraw the GST so that he can start talking seriously to the provinces about a real tax reform?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think it is very important that we get on with the job of sales tax reform. As I have indicated in the House on a number of occasions, including today, there have been five different studies since 1940 stating that the existing manufacturers' sales tax is a bad tax, it is holding back our economy and putting Canadian producers at a disadvantage relative to their international competitors. So we feel it is important that we get on with this tax.

The provincial governments do not have the same problems. They have some problems with their existing taxes but not to the same extent that we have at the federal level. That is why we feel we must move ahead with it. We are trying to do this in a way that we can deal with the problems the hon. member has raised in as effective a way as we can.

Mr. Boudria: Mr. Speaker, last fall the department of the Minister of Finance paid a sum of roughly $1 million for a one page ad, and in some cases a two page ad, in Canadian newspapers to inform Canadians to save the notice in regards to the 9 per cent goods and services tax that he was proposing at that time.

Can the minister assure the House today that not one red cent, not one golden loonie, will be spent to advertise Bill C-62? Can he make that commitment to the people of Canada now?

Mr. Wilson (Etobicoke Centre): I will tell the hon. member that we are proposing to have an extensive information campaign of brochures, booklets and other things Canadians can read so they can understand the GST. There will be a brochure going out to all small businesses in Canada some time next month. We will have other pamphlets for people who are in the retail business, for senior citizens, and for low-income earners so that they can understand what the tax is and how it will affect them.

• (1740)

I will recall for the hon. member the conclusion that the finance committee came to in the last Parliament after their trip to New Zealand. They felt it was very important that the government exercise responsibility in getting information out to Canadians so that they would have a broad understanding of this tax and therefore be able to draw their own conclusions as to the impact that it would have on them but also to understand that there are benefits.

With the opposition that is present in the House and from other Canadians, people must think that if there is all this opposition there has to be a good reason for the government to proceed with it. And that certainly is

going to be made clear when they see how the tax will affect them.

Mr. Boudria: Mr. Speaker, I want to make something clear. Did the minister just confess to the House that his campaign is propaganda to counteract the opposition of members of this House? If that is the case, will the minister now commit himself not to spend one red cent until such time as the bill is passed? After it is passed—heaven forbid that it would ever pass—at that time I suggest that the minister could spread whatever information he needs to spread.

Meanwhile, will he admit to us that he has just told us this is a propaganda exercise destined to counteract what opposition members are doing in this House, nothing more?

Mr. Wilson (Etobicoke Centre): I didn't say that at all. I said that it is important for people to get the information. Let me quote to you from the fifteenth report of the finance committee to the House in March, 1988. It said that if the government proceeds with the tax it should establish a private sector advisory committee to develop practical rules for the new tax and to publicize the details of the new tax.

Now this was a unanimous report of the finance committee, an all-party report. I think it is very clear.

My colleague, the Minister of National Revenue, has important information to give to senior citizens and people in low-income brackets to advise them how they should apply for the GST credit. It is very important that they put themselves in a position so they can receive the GST credit in December of this year, and clearly we have to make those arrangements at this time so that people can put themselves in a position to gain one of the benefits of the tax in December of this year.

Mr. Soetens: Mr. Speaker, I have been listening to the speeches today in the House by both leaders of the opposition parties and they relate to many of the concerns about which I get calls in my riding. Many questions concern the distribution of information, what is taxable and what isn't, and the sales tax credit. For example, here I have a brochure put out by the One Voice seniors' network listing some of the things that are taxable including water, insurance and some transportation costs. We know, according to the legislation, that that is not the case.

Through you, Mr. Speaker, I would like to ask the minister a question about the credit itself. I have listened to the opposition talk about those low-income Canadians and people across Canada who are losing their jobs and asking whether they will have access to the credit.

How will Canadians get this sales tax credit and when? Can the minister advise us just how many Canadians are going to be eligible for this tax across Canada?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, that is a very pertinent question because at this time people are receiving their income tax forms for taxation year 1989. In it there will be an application form for those people who are eligible for the GST credit. It is important that they complete it with their 1989 tax return because eligibility for the credit will be based on their income in 1989.

• (1745)

That is why we must proceed with getting this information out now so that they can be eligible and receive that first cheque in December of 1990. I believe something like 8.4 million families are involved. Some 84 per cent of seniors and families that are headed by a single parent will receive this particular benefit from the GST system. As colleagues opposite have just reminded me, the GST credit will be paid by cheque in advance four times a year so that people will have that money in pocket before they make their acquisitions.

Mr. Barrett: Mr. Speaker, I listened with great curiosity to the positions given by the Leader of the Opposition and by the Leader of the New Democratic Party in response to this tax. If I may make an observation before my question, the reason the Liberals have not proposed an alternative is that they intend to keep the tax if they are elected to government. That is all there is to it. They will not stand up in this House and pledge that if they are elected they will remove the tax. We have seen this before.

My question to the two governments, both supporting the tax, through you, Mr. Minister, is this: Have you received support for this tax and its implementation from any provincial government and are you now in discus-

sions with any provincial government that would allow you to integrate the two taxes?

Mr. Speaker: I would ask the hon. member to put the question, not through the minister but through the Chair, and I am sure he would like to do that. The question is there and the hon. member will have a supplementary.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did not know whether I would get this question because of the lovers' quarrel between the Liberals and the NDP.

The answer to the hon. member is that we are having discussions, as I have indicated, on ways that we can minimize or eliminate some of the compliance problems, some of the complexities of having both the federal and provincial taxes in place. As far as any discussions on total integration of the national sales tax, I think that is quite premature.

Mr. Barrett: Mr. Speaker, I asked the minister specifically whether he has the support of any provincial government at this point for the GST.

I would now like to ask my supplementary. You did not answer that part.

Mr. Speaker: The hon. member certainly has questions, but I would ask the hon. member not to refer directly to the minister.

Mr. Barrett: I thank you, Mr. Speaker. Mr. Speaker, would you be kind enough to direct the minister to my question? If he is hard of hearing I know your assistance would be welcome.

I ask the minister, through you, Mr. Speaker, whether or not he had the support of one single provincial government. He did not answer that. Second, through you Mr. Speaker, would you ask the minister kindly, through you back to me, whether or not he, the minister, through you, Mr. Speaker, is prepared to forward the correspondence that he has received on this from any provincial government and table it in this House through the Chair?

Mr. Speaker: Just a minute. I just want to say to the hon. member that that, of course, was a superbly appropriate procedurally put question.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, through you, I will respond to the two questions of the hon. member. To the first, officially we have not had any provincial government which says it supports the tax. They have indicated that they see some problems with it. We have addressed a number of those problems in the course of the December 19 decisions that I put before the House at that time. Most particularly they were concerned about the economic impact and therefore, through that, the impact on their fiscal positions. I think that bringing the rate down from 9 per cent to 7 per cent has gone a long way to address those concerns, but I would imagine that they are there to an extent already.

• (1750)

The hon. member has asked whether or not I would be prepared to table all correspondence that provincial ministers have with me. I think that that would be inappropriate. Provincial ministers and the federal minister have a good working relationship where we talk frankly and openly with each other. Some of these positions are put to the Minister of Finance and I respond to them in an open and frank way. If I were in the position of having to table all correspondence, I think that frankness and openness would break down.

Mr. Richardson: Mr. Speaker, through you I would like to ask the minister to comment on some of the myths that were raised this afternoon by the leaders of the opposition. I do not think they were trying to be helpful to the people of Canada.

Mr. Speaker: Just a moment. That is pretty close to saying something that might cause a motion later on. I am sure the hon. member would not want to impute the motives of other hon. members. Would the hon. member put his question please.

Mr. Richardson: Mr. Speaker, I would like to take this opportunity to ask the Minister of Finance to answer some of the questions that real Canadians have been asking who really want to know about the GST, the kind of questions that I was asked in my constituency this weekend.

Some hon. members: Oh, oh!

Mr. Manley: The ones that agree with you?

Mr. Gauthier: What are you talking about? I'm a real Canadian.

Mr. Richardson: Mr. Speaker, if I could ask questions to benefit the people of Canada rather than for whatever reasons these people have asked questions today. One, what about the complexity for small business and the expense to administer? Two, will the GST, as the NDP leader claims, make life more difficult for the poor or for senior citizens? Finally, through you Mr. Speaker, a question that I could not answer for my constituents this

weekend, will the minister raise the rate of the tax over the next few years?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I dwelt a fair bit on the question of complexity during my comments earlier today. We recognize that there is something clearly new about this tax which will cause companies to have some problems in the early stages in developing their understanding of how it is going to affect their accounting, how it is going to affect their pricing, how it will affect their purchases.

One of the things that my colleague, the Minister of National Revenue, will be doing is having the national revenue people working with individual companies on a one-on-one basis to help them understand and answer their questions on how the—

Mr. Boudria: Tax police.

Mr. Wilson (Etobicoke Centre): Now, the hon. member says "tax police". How can he possibly—

Mr. Speaker: Order. I would ask the hon. minister to direct his answer to the member and I would ask other hon. members to refrain from asking questions until they are recognized. The hon. minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, your wisdom is always overwhelming. I appreciate you bringing me back to the question.

This visit will be on a basis where we will do everything we can to help these companies understand the system and in that way minimize the degree of complexity that might be there.

On the second point, the hon. member asked what we are doing to help the poor and the senior citizens, people who are concerned about the possible impact of the GST on their standard of living and their way of life. I would like to point out the range of families in the Atlantic provinces that will be eligible for the GST credit. In Nova Scotia, 74 per cent of families will be eligible for the GST credit and 85 per cent of those in Newfoundland will be eligible. It is lower in other provinces. In Quebec it is 73 per cent; in Ontario, 58 per cent; and in Manitoba and Saskatchewan, 64 per cent. So there are a large number of families who are going to be in receipt of this.

• (1755)

The third question my colleagues has asked is as to what assurance we can give him that the rate will not go up. I think the greatest assurance I can give to him and to all Canadians is that if governments continue to control spending, and we have been controlling spend very tightly in recent years—

Mr. Gauthier: Nonsense. Sit down, Michael.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, this is provocation. There is a 3.6 per cent growth rate in our program spending. To continue that is the best way we can ensure that not only is this tax not raised but that other taxes are reduced.

Ms. Blondin: Mr. Speaker, my question is for the Minister of Finance, on behalf of some real Canadians. Be they somewhat frozen today at 48 below, they are real Canadians.

On October 2, 1989, I asked the minister what the effect of the GST would be on the north since that information was absent in any of the documents on regional effects. He said, "It will improve the economic fortunes of the north by 1.5 per cent".

I would like to ask the minister, now that he has received submissions from many northern groups, including the Government of the Northwest Territories, stating that the tax will cripple the north, whether he can tell us today what measures he proposes to compensate the residents of the Arctic for the extremely high prices northerners will have to pay?.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I simply do not accept the rhetoric that the hon. member has used that it will cripple the north. I simply do not accept that.

Ms. Blondin: These are not my words.

Mr. Wilson (Etobicoke Centre): But it is the rhetoric that the hon. member is using.

The point which must be made is that this tax is very good for businesses that are in the north and other regions of the country. It is the businesses that create the jobs. Because the tax will be taken off the exports of the mines, some mines will be kept open that might otherwise close. In addition, because there will be no tax on the capital investment in a new mine or a new forest products project, it will be cheaper to bring these

projects on stream. Again in that way they will create jobs for people in the north and other regions of the country.

The taxes on transportation that add costs to food, as another example, will be removed so that the costs of food provided to people in the north will also be able to be reduced. In a number of ways here—

Mr. Speaker: I think the minister has answered the question. The hon. member from Western Arctic, a supplementary.

Ms. Blondin: Mr. Speaker, my supplementary is to the same minister. I cannot believe my ears. The rhetoric I am accused of using are the words of my constituents who are concerned, gravely concerned.

Mr. Speaker, through you to the Minister of Finance, I say that the goods and services tax is going to have an extremely negative effect on the cost of living in the north, on transportation, on the small businesses he refers to, on the tourism industry, on mining, and all at a time when the federal government has reduced its transfer payments to the Government of the Northwest Territories by $110 million.

What does the Minister of Finance propose to supplement the financial burden now being faced by the territorial government? They are being asked to increase personal and corporate income taxes in the north, which they cannot afford because the cost of living is so high and the cost of operating a business is so abominably high it is unacceptable.

• (1800)

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I understand and appreciate what the hon. member is saying.

We had negotiations with both the government of the Territories and the Yukon government concerning the transfer payments. I think the two governments understand the nature of the fiscal position that the Government of Canada is in. It requires us to take some steps that we are not too happy that we have to take. But we know that we must get this deficit down. We must get the debt under greater control.

If we can get that debt under greater control, then we can get interest rates down. I think that will be helpful to the people and to the businesses which my hon. friend talks about in the north. That is the direction that we are following.

[*Translation*]

Mr. Rocheleau: Mr. Speaker, can the Minister tell me if he intends to exempt from this tax agreements between municipalities covering water sales, as well as engineering planning, fire-fighting and police services? Can the Minister tell me whether he intends to exempt municipalities from this tax?

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the principle that we are following in the treatment of the GST as it relates to municipal services is to impose no greater burden on them than is the situation now with the federal sales tax, the manufacturers' sales tax.

There is tax today on a number of things that municipalities purchase. We have said we are not going to increase that burden.

Exactly how we will do this can go one of two ways. We put one proposal in the technical paper, and subsequently in the December 19 statement.

Following that, we have had some discussions with the provinces to discuss a proposal that Mr. Nixon of the province of Ontario has put forward to see whether there is another way of achieving that same objective. Those discussions are proceeding. I am not in a position where I can say anything more than that, except to underscore the basic principle that they will not have greater tax to pay.

Mr. Speaker: I regret to interrupt, but given the time I can take a single question from the hon. member for Nickel Belt.

Mr. Rodriguez: Mr. Speaker, under the present tax regime the Minister of Finance's friends from Bay Street can deduct their three-martini lunches. They can deduct their escort services. They can deduct their lunches at Winston's.

Mr. Speaker, last year that cost the Canadian taxpayers $1 billion. Now he is putting on a 7 per cent tax, which means that they will be able to write off even more.

How does the Minister of Finance justify this to all the millions of Canadians who are looking for justice in the tax system while he allows his rich friends to write off more of their luxury and high living? How does he justify it?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, if we had not allowed any write off of business and other forms of business development expenses the hon. member would be hearing from the business community.

Mr. Rodriguez: Other countries have limited the tax.

Mr. Wilson (Etobicoke Centre): He would also be hearing from the restaurant association, the hotel association and other organizations like that, which gain a significant amount of their business, including in Sudbury—

Mr. Rodriguez: You have no control over it, so just do it.

Mr. Wilson (Etobicoke Centre): It is important that we make sure that this is not excessive. That is why we cut back—

Mr. Rodriguez: Poor people pay the tax on the basics.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am trying to provide an answer to the hon. member but clearly he is not of a mind to listen.

We cut back from a 100 per cent deduction to an 80 per cent deduction to reflect concerns that I think the hon. member and I would share.

To go further than that, it can do some damage to the tourism industry in this country. I believe that that is something the hon. member has ignored.

Mr. Speaker: I remind hon. members that we are all bound by the special order.

Mr. Riis: Mr. Speaker, I rise on a point of order.

Just before you end off the afternoon, I want to say on behalf of the New Democratic Party, and I suspect that others will want to say something too, that as a result of the special order we departed from the traditional way we handle the kick-off of important legislation. I simply want to say how much we have appreciated the chance to raise questions at the end of the three leading speeches from the three political parties.

We appreciate the Minister of Finance making himself available for this hour to enter into this exchange. I think it has been helpful and useful. I think those viewing would agree.

Some hon. members: Hear, hear!

Mr. Cooper: Mr. Speaker, I would like to thank the hon. member for his comments. We on this side of the House very much appreciate this kind of constructive debate, the opportunity to genuinely explore an issue because we are confident that we can win the debate.

I want to say that I hope this is a signal from the opposition parties that they will sit down and seriously debate the issue rather than engaging in the games which wasted so much time last week.

Mr. Speaker: The Speaker appreciates the complimentary comments back and forth across the chamber.

I should say to the public watching that a great many members have stayed until now to take part in this debate. Not all have been able to be recognized.

I would indicate to House leaders that the Speaker would be prepared to take that into consideration at Question Period tomorrow so that those who did not have a chance to rise might be considered tomorrow.

[*Translation*]

Pursuant to the order made earlier today, the debate on second reading is adjourned. This House stands adjourned until tomorrow at 11 a.m.

The House adjourned at 6.06 p.m.

HOUSE OF COMMONS

Tuesday, January 30, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

While I am on my feet I move:

That the House do now proceed to Orders of the Day.

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

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen.

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 179)

YEAS

Members

Atkinson	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bosley	Bouchard (Roberval)
Bouchard (Lac-Saint-Jean)	Bourgault
Boyer	Brightwell
Browes	Cadieux
Campbell (Vancouver Centre)	Casey
Chadwick	Champagne (Champlain)
Chartrand	Clifford
Cole	Collins
Cook	Cooper
Corbett	Côté
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Dick
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Horning
Hudon	Jacques
Jelinek	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
McCreath	McDermid
McKnight	Merrithew
Monteith	Nicholson
Nowlan	Plamondon
Plourde	Porter
Pronovost	Redway
Reid	Reimer
Ricard	Richardson
St-Julien	Schneider
Scott (Victoria—Haliburton)	Shields
Siddon	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
	Worthy—123

NAYS

Members

Allmand	Anawak
Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Benjamin
Black	Blackburn (Brant)
Blaikie	Boudria
Butland	Caccia
Callbeck	Campbell (South West Nova)
Catterall	Clancy
Comuzzi	Crawford
Fisher	Flis
Fontana	Foster
Fulton	Gaffney
Gagliano	Gauthier
Grey (Beaver River)	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Keyes	Kristiansen
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
Maheu	Manley
Marleau	McGuire
Mifflin	Milliken
Mills	Murphy
Nunziata	Pagtakhan
Parent	Parker
Peterson	Rideout
Riis	Robichaud
Rocheleau	Rodriguez
Rompkey	Samson
Simmons	Stewart
Taylor	Vanclief
Volpe	Waddell
Walker	Whittaker
Wood	Young (Gloucester)
Young (Beaches—Woodbine)—75	

• (1150)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

* * *

PRIVILEGE

BUSINESS OF THE HOUSE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a question of privilege arising from the vote we have just taken. I want very quickly to refer to Beauchesne's Fifth Edition and simply remind the House what parliamentary privilege includes.

Section 16 reads:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals.

It goes on:

> The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members.

Having said that, for many days now my colleagues and I have had petitions that we have been asked by our constituents to present in the House of Commons. Petitioners make it very clear both in their presentations to myself as a member—and I am sure I am speaking on behalf of most members of the House, including members of the government—that they want us to present their views in the House of Commons.

This is a right that goes back many hundreds of years, the right of a citizen to petition the Parliament of Canada. The government, as a result of this motion and previous motions, is making this responsibility that a member takes on impossible.

That is why I really believe that our rights as members are being breached and our privileges as members are being breached. We are not able to serve our constituents as we ought. One of the most fundamental rights has been denied, not only us as members but the constituents we represent.

That is only one aspect. There are also—

Mr. McDermid: You stop the work of the House all the time. What are you talking about? You are being silly. You stop the work of the House all the time.

Mr. Riis: Mr. Speaker, I hear an interjection. Somebody is simply saying that we are stopping the work on the GST from time to time. That has nothing to do with the rights of the members of the House of Commons.

We have a right to present petitions on behalf of our constituents. That is simply part of the argument.

The other part of the argument is that there are many members who have been asked by constituent groups to present private members' bills and private members' motions on their behalf.

We have gone to the legal departments and asked the legal clerks to assist us in creating and developing private members' bills that reflect the views of our constituents. Most recent, on behalf of a group of cattlemen from western Canada who are concerned about the cattle rustling that was going on in all parts of Canada, and because the government had failed to act in ways that various cattle organizations had requested, I was asked

as a private member if I could introduce the issue via a private member's bill.

Cattle rustling is a very serious issue in all parts of Canada, particularly western Canada. Hundreds of head of cattle disappear each year as a result of rustlers. We were asked and we acted accordingly.

As you know, Mr. Speaker, from looking at the Order Paper today, I have a whole list of private members' bills which I ought to be introducing. However, as a result of the government's very undemocratic motion that denies every member his or her rights, I am now unable to introduce my private member's bills on behalf of constituent groups across Canada.

For that reason I really believe that my rights as a member have been breached. Mr. Speaker, I would ask you to rule on the appropriateness of the government to take steps day after day after day which make it impossible for members of Parliament to do the jobs that we were sent here to do and whether it is appropriate that the government has the right simply to ignore the Routine Proceedings of the day, within which we are able to carry on the duties and responsibilities we were elected to do.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to join this debate. Indeed what we have just heard sounds to me like a crying over spilled type of approach.

Last week and this week, the House has seen the New Democratic Party do certain things to procedures that frustrated the Orders of the Day, that is, the Routine Proceedings and the calling of business for debate by the members of this House. We did not complain about that being an attack on our privilege at the time, and I do not think it is today, although I did, as all of us on this side in the Official Opposition did, vote against the motion put by the government that we proceed to Orders of the Day.

We feel as strongly as anybody about our right to table petitions, and indeed we have proven that over the months. Since last August Liberal members of Parliament have tabled over 60,000 names and over 1,500 GST petitions here in the House.These are in addition to the 250,000 petitions delivered to the Minister of Finance in September of last year which were gathered by the *Sun* newspaper chain.

We still have hundreds of thousands of petitions to table in this House. We will table them some day and Canadians will have a chance to have recorded in the proceedings of that day that they objected to this drastic tax, this unjust and unfair sales tax which the government is proposing.

I object to anybody saying that my privileges in this House have been impeded today because the government went to Orders of the Day. I think that is within the rules.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I associate myself with the remarks of the previous speaker, and rather than participate in this filibuster any longer, I would ask that you rule immediately.

The Acting Speaker (Mr. Paproski): I would like to thank the hon. member for Kamloops, the hon. member for Ottawa—Vanier and the House leader for their interventions.

I would like to say that the motion to proceed to Orders of the Day is an age old motion. As far as petitions are concerned the member can file them with the clerk at the table. On private members' bills, there will be future opportunities. Therefore I have to rule out the question of privilege.

I believe there has been consent to have the hon. member for York Centre present his motion.

* * *

MOTION TO ADJOURN UNDER S. O. 52

REPORT ON CONVICTION OF DONALD MARSHALL

Hon. Bob Kaplan (York Centre): Mr. Speaker, notwithstanding the decision of the House taken by this vote to proceed to Orders of the Day, I believe you will find unanimous consent to permit me to press the matter of the emergency debate of which I have given the Chair notice as required under Standing Order 52.

I move and request that the report just released of the Royal commission established by the Government of Nova Scotia to investigate the conviction of Donald Marshall, Junior, a Micmac Indian, and the implications of the findings for the national government in areas relating to justice, racism, native justice and self-government, police conduct and the Correctional Service of Canada, be considered by the House on an emergency basis.

The Acting Speaker (Mr. Paproski): I will look at the matter, and I am sure the Speaker will rule on it later this day.

GOVERNMENT ORDERS

• (1200)

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Monday, January 29, 1990, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7569)

Mr. Lewis: Mr. Speaker, there have been discussions among the parties and I want to take a minute to indicate that the procedure yesterday wherein there was an opportunity to question the Minister of Finance for an hour at the end of the interventions of the Minister of Finance, the Leader of the Official Opposition and the Leader of the New Democratic Party found some favour in that it gave members, who might not normally get a chance to participate in Question Period but were interested in the debate of the day, an opportunity to question the Minister of Finance.

I would point out to the House that we have looked at this and the Minister is prepared, should the House so wish, to do the same thing today for half an hour. This would give all members who participated in the debate and others an opportunity to question the minister. Our proposal has been made to the Official Opposition and to the New Democratic Party. It would be based on the same understanding as yesterday, that is, that there would be no dilatory motions during the day and also that there would be no effort on either side to extend the hours.

We have put this proposition to the opposition parties with the interest of furthering debate. It does impact on the minister's time but he wants to make himself available for this type of questioning. If my hon. friends have had an opportunity to review our proposition and it finds favour with them, we are prepared to put the motion immediately.

Mr. Gauthier: Mr. Speaker, indeed the proposal was put to us and we on this side, at least, the Official Opposition, the Liberals, would take this proposal very seriously. There are some questions and clarifications which we would like to pursue before we give our consent to the motion. Such questions could be resolved this afternoon when the House Leaders of all parties meet for our regular Tuesday afternoon House Leaders meeting.

I would just like to give notice that we, for example, would like to question whether that half hour should be within the eight-hour debate allocated at second reading. We could possibly come to a conclusion on that one. We would prefer that it would not be within the eight hours of debate but, rather, excluded from that.

We would like to know who will answer questions. I just heard the minister say it would be the Minister of Finance. Well, the Minister of Finance would be here, I take it, in the last half hour of the day, or the Minister or State for Finance as his replacement. That satisfied that concern.

We would like to be assured that this proposal in the motion not yet put, but if adopted, would follow a certain procedure of advising the opposition that indeed the government would call Bill C-62 on a specific day. We would like to be sure, even though the notice paper says "subject to change" that that bill and not something else would be called on that day.

We have other small concerns which we would like to raise at that meeting. If the government is willing to consider further discussions and clarifications, that is fine with us.

Mr. Riis: Mr. Speaker, I have to hand it to the government House Leader. This was a very interesting and creative proposal. I think it grew out of a reflection that was shared by all members of the House yesterday that the exchange which occurred late in the day with the Minister of Finance was a useful discussion. I think that we saw the Minister of Finance unable to respond to the questions on a number of points, which I think is useful to identify those areas where the government has no idea what the implications of the GST will be and so on. I

think that clarification is useful and I think we felt it was a useful time.

However, I want to make it perfectly clear, in case there is any element of doubt in anyone's mind, that we in the New Democratic Party oppose this GST completely and totally.

Some hon. members: Hear, hear!

Mr. Riis: We have no inclination to assist, encourage, work with or co-operate with this government, as presumably the Liberals have, under any condition. There is no willingness to co-operate.

My good friend, the member for Ottawa—Vanier, did not say whether they were supporting this. He said they had some questions, to be fair. We have seen the co-operation. As a matter of fact, we just saw it earlier today. I tried to argue that what the government was doing was inappropriate but my friends, the Liberals, were saying that was a spurious sort of argument and that they would like to support the government once again. This is getting to be a boring repetition, the Liberals supporting the government from time to time.

However, just in conclusion, because I think it is appropriate that I give a clear signal to the Government House Leader, I am prepared to discuss anything. If we can find a way in this motion that would not be, in any way, co-operating with the government on its GST initiative, but would in fact permit a more open and useful debate to identify the pros and cons as different groups see them, that is something that I want to consider seriously.

I understand the House Leaders will be meeting later today to discuss a variety of issues. I suspect that hon. colleagues would say this ought to be one of them in terms of procedure. I am certainly willing to entertain that discussion at that point.

The Acting Speaker (Mr. Paproski): Well, I surmise that there is no consent right now but you will have discussions.

Before I recognize the hon. member from Trois-Rivière for debate, there is a point of order from the hon. member for Surrey North and also from the hon. member for Ottawa South. On a point of order, the hon. member from Surrey North was rising first.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am rising to speak to Bill C-62.

The Acting Speaker (Mr. Paproski): I am sorry. The hon. member for Ottawa South on a point of Order.

Mr. John Manley (Ottawa South): Mr. Speaker, while I obviously will support the position of my whip on the matter raised, I would like to observe that yesterday I was one of those members the government House Leader referred to who had an opportunity to put questions to the minister. I was very grateful for the opportunity to put questions, but I put the same question two times and the minister made no reference to the substance of the question in either of his answers. I would like to suggest that if the minister is kind enough to come that he answer the questions.

The Acting Speaker (Mr. Paproski): That is debate.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity—

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member has the floor and he has spoken. The hon. member for Trois-Rivière.

[*Translation*]

Mr. Vincent: Mr. Speaker, I welcome the opportunity to take part in this debate on the goods and services tax bill. Thanks to this legislation, we will be able to strengthen our economy—

[*English*]

Mr. Riis: On a point of order, Mr. Speaker.

Mr. Rodriguez: Order.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member from Kamloops.

Mr. Riis: Mr. Speaker, I am not aware that you can selectively decide if you hear a point of order or not. I clearly rose on a point of order at the beginning of debate and I would like to make a motion. The motion is:

That the member for Surrey North now be heard.

The Acting Speaker (Mr. Paproski): I am afraid the hon. member is just a little late. The hon. member from Trois-Rivière has the floor.

Mr. Riis: Point of order, Mr. Speaker.

Mr. Rodriguez: You're pulling that stunt again.

Mr. Angus: Point of order.

The Acting Speaker (Mr. Paproski): I recognized the hon. member for Trois-Rivière on debate and he has started his debate. Therefore, I cannot recognize the hon. member's point of order, unless it has something to do with anything in particular.

Mr. Riis: You don't know what it has to do with.

The Acting Speaker (Mr. Paproski): Well, all right. I will recognize the hon. member on his point of order. The hon. member for Kamloops on a point of order.

Mr. Riis: My point of order was simply this, Mr. Speaker. At the beginning of the debate I sought to be recognized on a point of order. It was that the hon. member for Surrey North be now heard. That was my point of order. I am quite able to present that motion. Now, whether you accept the motion, Mr. Speaker, is for you to decide, I acknowledge that, but not to simply rule my point of order out of order.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, we are now gaining a certain amount of experience when it comes to these issues, after the games the NDP have played last week and again this week.

The bottom line of our understanding of this procedure is that once an hon. member rises and begins to speak, if the Speaker hears him begin to speak, then that particular motion is out of order. It was very clear from where I sit, Mr. Speaker, that the hon. member who you recognized had begun speaking and therefore the motion by the hon. member for Kamloops is out of order.

• (1210)

Mr. Angus: Mr. Speaker, when you called Government Orders the member for Surrey North was clearly standing in his place. No other member of this House was standing. I watched carefully, Mr. Speaker. You did look to the member for Surrey North. You did see him—or at least you gave the impression of seeing him. I would ask that you consider the motion by the House Leader of the New Democratic Party as one that is quite in order.

Mr. Gauthier: Mr. Speaker, I was also present during those deliberations. The way I recall it, which may differ from other people, is that indeed you did recognize the member for Surrey North. At that time you had not called debate and he said, "I want to speak on debate".

The member for Ottawa South was on a point of order and you did say you were going to recognize points of order. The point of order made by the member for Ottawa South was recognized, then you called for debate. I heard the member being called take the floor at the time. Whether the point of order was heard by you before he took the floor or not, Mr. Speaker, is for you to decide, not for me.

The only motion that we can make on a point of order, I think, is that so and so be heard instead of another member. I would leave it to you, Mr. Speaker, to decide whether the member had the floor. And if you gave him the floor I think it is very clear in the rules who has the floor at this time.

Mr. Barrett: Mr. Speaker, on a point of order, it might be useful for the House to take a five-minute recess to allow the Chair to go through the record rather than us having this debate.

The Acting Speaker (Mr. Paproski): I really do not need a five-minute recess for this purpose. I recognized the hon. member for Trois-Rivières on debate. He started to speak before the hon. member rose on a point of order. Therefore, on debate, the hon. member for Trois-Rivières has the floor.

[*Translation*]

Mr. Vincent: Mr. Speaker, at the risk of repeating myself, I welcome the opportunity to take part in the debate today on the goods and services tax bill.

Thanks to this bill, we will be able to strengthen our economy, reduce the deficit and make our tax system more equitable.

I would like to congratulate the Minister of Finance (Mr. Wilson) on this excellent initiative. Actually, Mr. Speaker, when you think about it, the job of Minister of Finance has never been an easy one. The situation has not improved today, now that we are facing problems that are both extremely urgent and complex. The world is economy is changing quickly in a host of different ways.

Since he was appointed, the Minister of Finance has shown that he is intelligent, responsible, effective and a man of great courage.

It would be so much easier to reduce taxes, to offer new services and to develop all kinds of programs. In fact, Mr. Speaker, that is exactly how governments proceeded from the end of the sixties up to the early of the eighties. They were the big spenders. Public servants were hired in the tens of thousands. New programs were being introduced daily. Crown corporations were created in every possible sector, for every possible reason. In a word, Mr. Speaker, they were living in a fool's paradise.

The balance sheet was not a priority. If they ran out of money, no problem—they just borrowed a few billion more.

Mr. Speaker, the government we had in the seventies and the early eighties promised Canadians the moon. We know what we got: a national debt of nearly $320 billion.

Mr. Speaker, today we have to pay the bill. It hurts when we have to cut spending. It hurts when we increase taxes. However, we have to do this in 1990 if we want to correct the excesses of the past and offer the programs and services Canadians will need in the future.

When introduced, a measure like the GST is never very popular. However, when Canadians see the positive results on our balance sheet and in our country's economy, I am sure the majority of Canadians will understand that the tax reform proposed in this bill is both necessary and salutary.

The GST bill is part of a series of measures aimed at strengthening the Canadian economy and reducing the deficit. I think it would be useful to review the main characteristics of the GST.

It will apply to the majority of goods and services, with the exception of the following: basic groceries; medical devices; prescription drugs; residential rents and existing housing; loans, mortgages and life insurance premiums; health and dental services, including hospital and nursing care; most education services; day care services; legal aid services; municipal transit services and passenger ferries.

This means we did not accept the recommendation that favoured applying the tax to all goods and services. I must admit, Mr Speaker, that I am very pleased with this decision because it would have been brutal to apply the tax to such necessities as basic groceries, prescription drugs, existing housing or day care, just to reduce the tax by one or two percentage points. In fact, we managed to reduce the rate to 7 per cent without resorting to this radical application.

For businesses, the amount of GST they pay will be the difference between the tax they collect on their sales and the tax they pay on their purchases. If the tax they collect is less than the tax they pay, the government will refund the difference. To claim a refund or pay the tax due, most businesses will have to complete a one-page form, I repeat, one page. There are prophets of doom and gloom in the House and outside who would have Canadian businesses believe they will have to complete endless forms. No, Mr. Speaker, just one page!

Thanks to the input tax credit, businesses will receive a full refund of sales tax on their inputs, which will reduce operating costs in Canada and make all sectors of our economy more competitive. This measure will have the effect of reducing the price of capital goods by an average of 4 per cent. Lower costs will increase incentives to invest, resulting in an increase in productive capital stock and a significant increase in production in most sectors throughout the country.

One of the major concerns about the GST, mainly among small businesses, was the administrative burden that the GST would impose. We intend to introduce a number of simplified accounting procedures. The government will provide a measure of sales tax and income tax relief for small businesses that purchase cash registers to help them apply the GST. The government, together with small business, will also look at other ways to simplify administering the tax.

Mr. Speaker, we are also co-operating closely with the provinces in the area of sales tax administration. Recent statements by the Minister of Finance of Ontario give us hope that we will have a period of co-operation between the two levels of government in this field, which would be positive and much appreciated by business people, Mr. Speaker.

Most sales by charitable organizations and many sales by non-profit bodies will be exempt. Furthermore, charities and agencies largely funded by the state will be eligible for a 50 per cent refund of the GST paid on their purchases for exempt activities.

To protect low-income Canadians, a refundable GST credit will be paid four times a year to nearly 8.7 million families and individuals. The credit will be $190 for adults and $100 for children. Single parents will be able to claim an adult credit if they have a dependent child. Unmarried adults, including single parents, will be able

to claim an additional credit of up to $100. The first GST credit payment should be made in December 1990.

Again, Mr. Speaker, you know that it was this government that established a refundable credit, payable in advance. This is excellent for low-income families and I think that the Minister of Finance should be congratulated for this initiative.

With this refundable credit, families whose income is less than $30,000 will pay less income and sales tax than at present; I repeat, Mr. Speaker: families whose income is less than $30,000. Just this morning, I saw an article in the local Trois-Rivières newspaper saying that seniors would be adversely affected by the GST. Mr. Speaker, this is absolutely untrue for all seniors whose income is $30,000 or less.

• (1220)

I think it is important to say it and to put an end to the scare campaign currently being waged. Three quarters of households headed by a senior citizen or a single parent will see their after tax income go up, Mr. Speaker. The GST proposal calls not only for certain initial benefits for farmers and fishermen but also includes a list of important tax-free items.

As far as housing is concerned, the GST will only apply to new construction and major renovations. The modified housing rebate will represent 2.5 per cent of the purchase price up to $350,000. This rebate will be gradually reduced for homes worth $350,000 to $450,000, and I must tell you, Mr. Speaker, that I will not have any problems with that in my riding.

On December 19, the Minister of Finance announced major changes to the GST which are included in this bill. The most important change was the reduction of the GST rate to 7 per cent. This lower rate, in conjunction with other changes, meets certain objectives: to benefit quickly and smoothly from the economic spin-offs of the GST, to protect low-income Canadians, to minimize—

[*English*]

Mr. Rodriguez: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Nickel Belt on a point of order.

Mr. Rodriguez: Mr. Speaker, the hon. member for Trois Rivieres has been here since 1984. There is a longstanding tradition and practice in this House that members do not read their speeches. We are not interested in what the Ministry of Finance thinks about the GST. We are interested in what the member thinks about the GST. In fact, he is reading a speech. If you want to do that, you go to the other place. But in here you are supposed to be able, after five and a half years, to make a speech without having to read it verbatim from some prepared speech from the finance department.

The Acting Speaker (Mr. Paproski): I think the hon. member was referring to his notes. This is a very important debate and I just think that this is what the hon. member is doing. I am sure he as is capable, as any other hon. member in this House, to debate without notes. But I guess when you are debating finance even the hon. member for Nickel Belt might have to refer to some calculations or some figures or something. The hon. member has made his point of order and I am sure the hon. parliamentary secretary will take heed.

Mr. Rodriguez: Mr. Speaker, you are probably right. In 1972, for the first three months, I may have read a speech, but I cannot remember ever taking a speech and just reading it verbatim. People are watching on TV and they know that he is not just referring to notes. He is reading verbatim. I have never read verbatim from any speech in this House since 1972.

The Acting Speaker (Mr. Paproski): Yes, I realize the hon. member is never short of words. I do appreciate what he is saying. The hon. member for Port Moody—Coquitlam on a point of order.

Mr. Waddell: In spite of what you said, Mr. Speaker, you have to lay down the rules clearly. The rules of the House are that you cannot read your speech. I think you have to tell the hon. member that those are the rules of the House and you have not done that, with respect.

The Acting Speaker (Mr. Paproski): The hon. member for Trois Rivieres on debate.

[*Translation*]

Mr. Vincent: Thank you, Mr. Speaker. You know, when one is in the House representing the government and the Minister of Finance one tries to give Canadians the best information available, but as usual Members opposite are having difficulties understanding such a significant issue as the GST. Sure enough, Mr. Speaker, I did refer to my notes and I will continue to do so if only to make it that much easier for NDP Members to grasp the reality of life, at last!

You know, Mr. Speaker, they do not understand Meech Lake, they do not understand that Quebec is a distinct society, except that they are for it when they are in Quebec but against it anywhere else in the rest of the country. They do not understand the GST except perhaps when they are somewhere else in Canada, and even then so far they seem to be against the GST wherever they are. Some NDP Members are in favour of Meech Lake, others are against—

Mr. Nystrom: That is better.

An hon. member: Keep it up.

Mr. Vincent: See, Mr. Speaker, they get upset when we tell them the truth. But I want to go on with my remarks.

[*English*]

Mr. Rodriguez: Mr. Speaker, on a point of order. I think that is much better from the member for Trois Rivieres.

Some hon. members: Hear, hear!

Mr. Rodriguez: We are not angered by that.

An hon. member: We are proud.

Mr. Rodriguez: We are actually very pleased that he is finally being himself.

The Acting Speaker (Mr. Paproski): Debate. The hon. member for Trois Rivieres.

[*Translation*]

Mr. Vincent: Talk about a problem, Mr. Speaker, if the NDP sides with me I am in deep trouble.

Some hon. members: Ah, ah!

Mr. Vincent: I will have to be careful, Mr. Speaker, I do not like it when they are on my side.

Mr. Speaker, allow me to check my notes and point out that one of the advantages of the GST will be to reduce—

Mr. Nystrom: Watch it, you are reading!

Mr. Vincent: —reduce the deficit and, as you would know, Mr. Speaker, Canadians have made recommendations concerning the GST and there was a national debate on the issue when all Members and all interest groups had an opportunity to air their views. When the GST is implemented on January 1, 1991, when 8.7 million Canadians will have received their first tax credit instalment, and when Canadian companies and particularly small- and medium-sized businesses realize that all they need do is fill in a single 8 1/2 by 11 sheet of paper, sales less purchases, Canadians and perhaps NDP Members, I repeat, perhaps—

Mr. Pronovost: Impossible!

Mr. Vincent: My colleague from Saint-Maurice (Mr. Pronovost) says it is impossible. I am inclined to think he has a point, but perhaps the NDP Members will indeed understand the GST.

I know that some Liberal Members of the Official Opposition understand the GST and they are supportive. There are some, not many but a few.

Mr. Nystrom: Like who?

Mr. Vincent: The Liberal Finance critic was in favour of the GST. Maybe that is why he is no longer the Finance critic. He was turfed out. He was in favour of the tax, but that's nothing to be ashamed of!

Comments from associations and from the opposition were sometimes valid but sometimes, unfortunately, based on premises that did not reflect the real situation. After listening to Canadians, after listening to associations and the Opposition, we tried to come up with several amendments, tabled by the Minister of Finance, that would reflect the Canadian reality and would better serve the interests of Canada. Mr. Speaker, you know we could have done what other governments have done: change nothing.

When I was studying for a master's degree in tax law at the University of Sherbrooke in 1978, the professor who explained the federal sales tax said: "The present federal sales tax does not make sense". The federal government at the time had appointed a committee. My professor said: "I hope the committee will act on the recommendations and do something about this tax". That, Mr. Speaker, was in 1978. The Conservative Government has made its position clear. It wasn't easy. We know Cana-

dians do not like to pay taxes. Nobody likes paying taxes. However, we made it clear we intended to change a system that was not good for Canadian business, for our economy or for anything in general. We are going to tax goods and services, which is not exactly pleasant, but it is necessary. We are not in the business of passing out goodies, we are governing a country. We were elected to govern, and that is what we are doing.

The opposition was also elected to govern. I think we should remember that it was elected to govern with the party in power, and I think it should sit down and give the subject some serious thought and make concrete proposals instead of just being negative. Not just proposals, but concrete proposals.

In concluding, Mr. Speaker, I would like to stress, and this is important, that most Canadians on low incomes will not be affected by the GST.

• (1230)

I include the elderly, and I do so because scare tactics are being used against them, similar to the scare tactics used during the last election campaign on the free trade issue. Unfortunately, the opposition seems very fond of using these tactics. Instead of being realistic and getting their facts and figures straight, they use scare tactics.

An hon. member: Oh, oh! Not so!

Mr. Vincent: And that, Mr. Speaker, is wrong. I don't see why a member of Parliament should try to scare the elderly when he knows perfectly well that the GST will not have an impact on elderly Canadians on low incomes.

Mr. Speaker, it is with great pleasure that I support this bill, and I hope it will be passed as soon as possible.

Mr. John Manley (Ottawa South): Mr. Speaker, in the course of his speech, the parliamentary secretary said, and I quote:

> —the main objective of the GST is to reduce the federal deficit.

However, during the election campaign, the Minister of Finance (Mr. Wilson) said: The tax reform will be revenue neutral.

Is the parliamentary secretary telling us, does he admit, that the minister did not tell the truth during the election campaign and that his objective always was to reduce the deficit?

Mr. Vincent: Mr. Speaker, I must admit I like the opposition member's question, but I also realize that notes come in very handy. This is what I said: The GST bill is part of a series of measures aimed at strengthening the Canadian economy and reducing the deficit.

That is what I said, Mr. Speaker. To answer the hon. member's question, the GST will not necessarily raise more revenue, if we consider the current situation. However, the GST will benefit Canadian businesses, because at the present time, importers are in a better position than our own Canadian businesses which are at a disadvantage because of a hidden, 13.5 per cent federal manufacturers' sales tax. Importers do not have this tax. A Canadian business that exports to other countries has the same 13.5 per cent cost, which does not exist in any other country. We are the only country in the world that still has a manufacturers' sales tax. It is important for us to change our tax system, to make our businesses competitive, and yes, they will make more money, and yes, they will pay more income tax, and yes, the economy will be better off, and if the economy is better off, yes, Mr. Speaker, we will continue to reduce the deficit as intended and as we should!

Mr. Nystrom: Mr. Speaker, I have a question for the hon. member for Trois-Rivières (Mr. Vincent).

According to a Gallup poll published two or three days ago, 75 per cent of Canadians are now opposed to the GST. I also saw the poll showed that opposition in Quebec is almost the strongest, with 77 per cent against the GST. Mr. Speaker, I have a question for the hon. member for Trois-Rivières: We are in a democratic country here and it is now clear that most Quebecers are very opposed to the GST; why is he, as a member from Quebec, in favour of it? Why does he not represent his constituents at all? Most people where he comes from are against this federal government measure, because the Finance Minister's (Mr. Wilson) bill will take a lot of money from ordinary people—it is regressive.

And as I said, more than 70 per cent of Quebecers are against it. So why does he pay no heed to those who elected him fifteen months ago?

Mr. Vincent: Mr. Speaker, I must point out to my colleague that in a poll, when people are asked if they are for or against the GST, it is normal for them to be against taxation, be it the GST, an income tax increase or any other change. If I ask the hon. member himself whether he is in favour of any tax, he will tell me no. No one likes to pay tax!

I would also point out to him that a poll was taken in my riding and 77 per cent of the people were not necessarily against the GST. Organizations like the Chamber of Commerce were in favour of the GST at 7 per cent.

Mr. Manley: No, that's not true!

Mr. Vincent: The Trois-Rivières Chamber of Commerce is active, Mr. Speaker.

Mr. Manley: No, that's not true!

Mr. Vincent: It is active. The Chamber of Commerce—

An hon. member: That's false!

Mr. Vincent: If the Opposition would let me finish! They are for the GST at 7 per cent—

Mr. Manley: Six per cent with provincial participation!

Mr. Vincent: —as a first step and they would rather have the provinces with us. I told them to convey their message to the provincial governments. We should like to have the provinces with us too. We have no problem with that.

Again, Mr. Speaker, I should like to reply to my hon. friend that we have been elected as a Government to administer this country. To administer a country means that you may have to make decisions which are not necessarily easy or popular.

You must have faced this problem, I am sure. When an organization in your riding applies for a subsidy, although your constitients are all for it, you may have to refuse for one reason or another, including the fact that there is no money, or that there exists no single program to fully meet the needs. It is not because you are not providing your riding with the money your constituents are anxious to get that you are not a good representative doing your job properly and protecting the interests of your riding, your province or your country.

Mr. Gagliano: In his speech, Mr. Speaker, the Hon. Parliamentary Secretary to the Minister of Finance indicated that the GST legislation would be introducing a new simplified accounting system. Having listened to him carefully, I wonder if his departmental officials have explained to him what this new simplified accounting system is all about.

As members of the finance committee, Mr. Speaker, we have travelled everywhere in this country, and among the hundreds and hundreds of witnesses which we heard, not a single one of them was in favour of this simplified accounting system. They felt that the whole system was ridiculous and would only complicate things. President Bullock of the Canadian Federation of Independant Business, for one, has totally rejected the system. As a matter of fact, he has also rejected the GST outright.

So, when the Hon. Parliamentary Secretary insists that there are business people out there who understand and support this legislation, I just do not know who he has in mind, because to date, a number of organizations, especially small and medium-sized businesses, have even used paid announcements in newspapers to denounce this tax.

I should like him, therefore, to mention the names of these people we do not know yet who support this legislation.

Mr. Vincent: Mr. Speaker, I am pleased to respond to my friend from Saint-Léonard because in fact, before the Christmas recess, I spoke to the Laval Chamber of Commerce, the second largest Chamber of Commerce in Quebec, I think, and the hon. member for Saint-Léonard will correct me if I am wrong. After my speech, the chairman of the Laval Chamber of Commerce said: "The Laval Chamber of Commerce supports the GST if at 7 per cent". That was the second largest Chamber of Commerce in Quebec, Mr. Speaker.

In the circumstances, Mr. Speaker, I suggest that the hon. member for Saint-Léonard, which is in the area of Laval, so to speak, should do his homework and perhaps get out and look at the real world around him.

Mr. Speaker, to answer the specific question put by the hon. member, I would like to ask him if he thinks that an act with 22,000 exemptions, because as we know the federal sales tax currently has 22,000 exemptions, is something that can be called simple? Is this something

the Canadian people, Canadian business people can like, an act with 22,000 exemptions, with some 150 pending cases and 150 new cases coming up each year?

I remember, Mr. Speaker, last year the hon. member for Saint-Léonard put questions to the Minister of Finance, asking him when he would get rid of his sales tax because it was destroying jobs in Montreal. We told him we would change it as soon as possible. And now, because we are changing it, he wants us to keep the old system and go on destroying jobs: That, Mr. Speaker, is the Liberal Opposition.

The Acting Speaker (Mr. Paproski): I regret but the period allowed for questions and comments has expired. Debate. The hon. member for Ottawa South (Mr. Manley).

• (1240)

[*English*]

Mr. Manley: Mr. Speaker—

Mr. Taylor: Point of order.

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for The Battlefords—Meadow Lake.

Mr. Taylor: Mr. Speaker, I could not help but notice when you called for debate and looked around the chamber, as previously you did not recognize a member from the back benches of our party. This time a member from the front benches of our party stood. Therefore I wish to move:

That the member for Yorkton-Melville be now heard.

Mr. Manley: Mr. Speaker, on the same point of order.

The Acting Speaker (Mr. Paproski): I have a point of order from the hon. member for Ottawa South.

Mr. Manley: Mr. Speaker, we have fought this tax tooth and nail across the country. We are here to fight it now in the House of Commons.

I would like to point out that, conscious of the fact that more dilatory tactics were about to take place by the NDP the moment you recognized that we were to resume debate, I started talking as I got to my feet. I would like to say this. Rather than wasting half an hour or eight hours of debate we should be here to debate this and not to waste time.

The Acting Speaker (Mr. Paproski): The floor having been given to the hon. member by the Chair I have to put the question.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion which was negatived on the following division:

(*Division No. 180*)

YEAS

Members

Blackburn (Brant)	Fisher
Parker	Riis
Rodriguez	Taylor
Waddell—7	

NAYS

Members

Belsher	Bird
Boudria	Cadieux
Clifford	Cooper
Della Noce	Dick
Dorin	Gray (Bonaventure—Îles-de-la-Madeleine)
Hudon	Jelinek
Langlois	Lewis
Lopez	Manley
Marin	Pagtakhan
Plamondon	Pronovost
Reid	Soetens
Thompson	Vankoughnet
Vézina—25	

• (1250)

Mr. Speaker: I declare the motion lost.

The hon. member for Ottawa South.

Mr. John Manley (Ottawa South): I would like to begin by expressing my disbelief at the fact that the NDP would try to silence me in making the deeply felt objections that I have to the goods and services tax.

I would like to say that I travelled across Canada with the member for Yorkton—Melville.

Mr. Rodriguez: Point of order.

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

Mr. Rodriguez: Mr. Speaker, my point of order is that it is a well known practice and rule that no member can reflect on a vote. I think that what the hon. member is doing is reflecting on a vote which has been decisive and has been taken.

Mr. Waddell: Mr. Speaker, on the same point of order. My colleague is right.

Also, the NDP was not trying to silence the member. We are trying to hear another member, a member who is opposed to and not for the GST. That is what we are trying to do. We are not like the Liberals.

The Acting Speaker (Mr. Paproski): The hon. member for Ottawa South has the floor on debate.

Mr. Manley: Mr. Speaker, their intellectual bankruptcy is only exceeded by their arrogance.

Some hon. members: Hear, hear!

Mr. Manley: I am here not to talk about that left wing rump, what is left of them down there as they recede into irrelevance. I am here to talk about the government and what it is doing to the people of Canada with this regressive tax.

I have a question that I would like to ask of government members who are here. Who is in charge over there? Yesterday we saw in the polls that not only are most Canadians opposed to the GST, not only do we see that Canadians from all regions of the country are opposed to the GST, but 56 per cent of people who identify themselves as Conservative supporters are opposed to the GST. Who over there is in charge? Who is listening?

Maybe I have an idea about that. We know how much the government likes the corporate model. We know how it thinks that the private sector is really the model for everything. I think that the Prime Minister considers the Government of Canada to be just kind of like the Iron Ore Company. I think that he figures he is the chairman of the board of a great big corporation.

We all know in the corporate structure there are different groups, especially in big corporations. There is this group, that group, the finance group. There is the production group. There is the human relations group. There are all the different sections of a corporation. I think what has happened in the Prime Minister's board of directors is that the finance group has gotten control. I think those who are in charge of human relations in the corporation of the Government of Canada have been shut out.

Those people are listening to the bean counters and they are not concerned about the people. That is what has gone wrong. They do not care about the people. They have the bean counters lined up. They have the economists lined up and they are saying: "Well, we have devised a method to reform the old manufacturers' sales tax, that old tax that we have wanted to reform for so long. And here it is, the streamlined system. Look how neat it is on paper. You can draw a flow chart for it and you can put it on an overhead projector. You can run pictures of it in the boardroom. You can use multicolour, overlapping slides to explain how to do it. It looks terrific". But nobody is asking the people how it is going to affect them. All the government is doing is looking at these numbers.

So who is in charge? Who is listening to the people of Canada? Who is listening to the Conservatives of Canada? Their members of Parliament are not.

I think the question that the government has to ask itself before it proceeds any further with this tax is whether it has any remaining credibility, whether the Minister of Finance has sufficient remaining credibility to put this tax into effect.

There is a big problem lurking here for the people of Canada and for the Government of Canada. What happens if there is a massive tax revolt? What is the government going to do when the people of Canada finally say: "Enough is enough. We are withholding our taxes"? What is it going to do? Unless the government has the credibility, and unless its Minister of Finance has the credibility to put this tax into effect, then they enact it and implement it at their peril, and at the peril of order in Canada.

What about fiscal responsibility? We heard one of the Conservative members speak just a moment ago on how this tax was really being brought in to solve the deficit. I think in fact he said the main objective is deficit reduction. Of course, that flies in the face of promises made before and during the election campaign that this was going to be a revenue neutral reform.

I have been digging around in the library and I came up with a document called: "Economic and Fiscal Statement". It was delivered in the House of Commons by the Minister of Finance on November 8, 1984. That was just two months after the election.

The Minister of Finance had some pretty grim news for Canadians. He told them that if they had not had the good fortune to elect him, that Canada was going to be in pretty desperate straits by the end of 1989 or 1990. He said that if his new policies were not put into effect then, under the old government's policies, federal revenues in 1990–91 were going to reach $100 billion.

He said that federal spending by 1990–91 under the old government's policies was going to reach $137 billion. He said with respect to the deficit that when he enacted his policies by 1990–91 he was going to bring it down to $18 billion a year.

What is the reality? After this great change of course and of direction what has this fiscally responsible Minister of Finance done? Instead of the projected $100 billion in government revenues by next year we now expect it is going to be $120 billion—more than he had said in his worst case scenario. Instead of spending of $137 billion, which he thought was going to be such a gloom and doom situation, we are now projecting $149 billion—$12 billion more. Instead of having an $18 billion deficit, we all know he is going to come in in excess of $30 billion.

These are the facts that the Minister of Finance has to bring to the people of Canada in asking this essential question. Does he have the credibility to bring in the most significant change in taxation in Canada since the introduction of the income tax in 1917?

The Acting Speaker (Mr. Paproski): The hon. member will have 13 minutes left in his debate plus 10 minutes questions and comments when we return to Government Orders.

It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SPORTS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I rise today to pay tribute to the fine young athletes representing Canada—in particular those from northern Ontario—in Auckland at the Commonwealth Games.

Whether it be France Gareau from Verner or the fine young boxer Domenic Filane from Schreiber, our athletes from northern Ontario are proving that they have the commitment and ability to compete with the best in the world.

In fact, northern Ontarians are very proud of the efforts of Kenora's Michael Smith who captured the gold medal in the most difficult test in the sporting world, the decathlon.

In performing his personal best in four events and in setting a new Canadian decathlon record, Michael Smith scored an impressive 8,525 points to win the Commonwealth gold.

I am sure that all members would want to join with me in congratulating Michael Smith on his Commonwealth achievement and wishing him the best in his future pursuits in the world arena. Congratulations, Michael.

* * *

EL SALVADOR

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, last Thursday, after I left El Salvador, three men leading a Bible study class in a Baptist church were arrested by the

Treasury Police who notoriously mistreat political prisoners. They seem to suspect church people of being allies of the rebels, simply because they help the poor.

One of the prisoners, Innocente Garay, had been chased by a death squad last June. He escaped, was designated a refugee by the UNHCR and sponsored that same month by Emmanuel United Church in Ottawa. He is still in prison, even though his companions, Mr. Fuentes, a government-sponsored refugee, was released yesterday, along with the third man, Carlos Avalos.

When Jesus was born in Bethlehem, the death squads hunted for him, but his parents took him for safety to Egypt. If he came today to El Salvador, the death squads would hunt him again.

I call on our government to intervene with the Salvadoran government for Mr. Garay's release, and to move quickly with visas and minister's permits to bring these men and their families to Canada.

* * *

ENERGY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, with the next federal budget only weeks away, I want to remind the government of promises it made to the alternative energy and conservation industry in this country.

In October 1987 the then minister for energy told an audience in Prince Edward Island: "I will continue to provide my enthusiastic support of these Island projects for a long time to come".

The same energy minister told an Energy Options conference in Montreal last December: "I am committed to seeing the momentum toward greater energy efficiency continue".

Yet, less than 18 months later, the government announced that it was closing its regional conservation and renewable energy offices across Canada and committing less money to federal-provincial agreements for alternative energy.

Canadians must learn to use their energy more wisely, and the federal government has a leadership role to play here. The government must start promoting alternative energy and conservation with actions, not just words.

S. O. 31

JUSTICE

Mr. Peter L. McCreath (South Shore): Mr. Speaker, after two and one-half years of exhaustive study, the Nova Scotia Royal Commission investigating the wrongful conviction of Donald Marshall has come down with a thorough, multi-volume report. Not surprisingly, the bottom line of the report is the conclusion that institutional racism was the root cause of Marshall having been mistakenly sent to prison for 11 years for a crime he did not commit.

Most Canadians openly disavow racism and discrimination as acceptable practices in our society. Most adhere to the desire and intention not to be discriminatory in their own actions and behaviour.

Relatively few understand the concept of institutional discrimination or adequately recognize the degree to which it exists in many if not most of the institutions of Canadian society, be they federal or provincial, public or private.

Some have already reacted with cynicism to the Marshall report and its findings. None among us should; nor is there room for smugness on the part of persons of other institutions or other jurisdictions.

All Canadians and their governments should recognize the report as an iceberg symbolizing conditions below the surface in our society. Much work remains to be done before ours is truly a society in which equity and fairness are fully recognized and accepted as the cornerstones and foundation of Canadian society.

* * *

ATLANTIC ECONOMY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, all of Atlantic Canada welcomes the announcement of Cavendish Foods expansion near Summerside, P.E.I. This project is the beginning of the turnaround for Summerside after the negative effects caused by the winding down of CFB Summerside.

The next project that must be addressed is the construction of a fixed link to P.E.I. from the mainland. As I have said before, this engineering marvel will create hundreds of jobs during construction and add almost $1 billion to the economy of Atlantic Canada.

Every area of the region will feel the economic benefits from this giant project and many new industries and services will be generated.

On completion, the fixed link will be one of Canada's major tourist attractions. The fixed link will also remove trade barriers between the provinces and create a whole new era of interprovincial co-operation.

This privately funded project will be the focus of the Atlantic and its potential. It will give all Atlantic Canadians a sense of pride and provide a very tangible turnaround for the region after a serious of setbacks.

I call on the Minister of the Environment to ensure that the current study is expedited and completed as soon as possible. Finally, I call on the Minister of Public Works to warm up his bulldozer and let us get this show on the road.

* * *

GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, during one of the two Nepean town hall meetings held on the goods and services tax, a resident presented a brief outlining the effects the goods and services tax had on the country of New Zealand.

He told the meeting that in 1985 the New Zealand Government began the move to free trade and free market policies.

The New Zealand dollar was devalued, controls on interest rates were abandoned, tariffs were reduced, restrictions on foreign investments were lifted, banking and finance were deregulated. Almost all supports for agriculture were removed and even marketing boards were under attack. Transport was deregulated. User fees were placed on all government services. Universality was ended for all social programs. Regional development stopped. The national energy plan was scrapped. No government services were to be guaranteed even for public utilities. A total of 432 rural post offices were closed. State enterprises privatized included Air New Zealand, Petrocorp and the Development Finance Corporation. The result of all this led to a depressed and stagnated economy.

Isn't it frightening that we see the same thing happening here in Canada today?

THE ECONOMY

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, the people of Calgary southeast know our country must eliminate our massive debt. They are even prepared to pay more taxes to cut the debt. But they are only prepared to do so if the government also cuts back on wasteful and inefficient spending.

Before Christmas the President of the Treasury Board announced a series of spending cuts. Those were by no means the first cuts. This government has saved billions of dollars by cutting programs, privatizing Crown corporations, including Air Canada, and reducing the civil service the level it was in 1973.

The Minister of Finance has done a tremendous job in bringing spending under control, As he prepares for a new budget, I encourage him to continue his worthy efforts to cut costs.

* * *

REGULATORY REFORM

Mr. Douglas Young (Gloucester): Mr. Speaker, the government announced its intention to reform financial regulation in this country in November, 1984. Five years and four ministers later, the government still has not ended the regulatory uncertainty and confusion.

Regulatory reform in Canada is lagging behind profound changes in the financial sector. Failures, takeovers and mergers in this sector have continued. Canadian financial institutions are falling behind their competitors in both domestic and international markets. Now the government appears to be ready to allow American Express to set up a bank in this country before appropriate legislation is put in place.

The government must ensure there is a level playing field in Canada before opening up the financial sector to foreigners.

Committee reports and vague promises must turn into concrete action. I urge the government to act soon to establish national policy and a regulatory framework for financial institutions.

THE ENVIRONMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, as community, government and indeed our world continues the vital struggle to protect our environment, I was pleased to note projects approved under the New Environmental Partners Fund. My constituency of Delta is the recipient of a $5,000 grant shared equally with a funding partner, the British Columbia Conservation Foundation, a non-profit group dedicated to preserving and increasing wildlife populations.

The Boundary Bay Raptorial Bird Habitat in Delta puts into practice what many of us teach in encouraging, preserving for future generations and making available to the public many of the wonders of creation, particularly relating to natural habitat and a variety of bird species which might otherwise face extinction.

The $50 million Environmental Partners Fund announced in June 1989 covers a five-year period and provides funding for up to 50 per cent of a project's total value. Our Environment Minister's goal is to tap the creative talents of Canadians and establish community oriented environmental projects. It is encouraging to see co-operation between government and community resulting in the protection of our increasingly valued natural environment.

* * *

• (1410)

[*Translation*]

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the GST is now the most important issue in Canada. As you know, the government proposed a 7 per cent tax on goods and services and the Canadian people are against it. The NDP has a very clear alternative, but the Liberal Party has none. This is the situation two months after the Finance Committee tabled its report.

Mr. Speaker, on Sunday in Toronto, there were six candidates for the leadership of the Liberal Party. Everyone was against the GST, but no candidate proposed an alternative to the system put forward by the government. The public has a right to know the policy of the Liberal Party of Canada. Please, Mr. Speaker, an alternative!

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, the Government of Canada has many reasons to change the present federal sales tax. We know very well that the present tax is old, it is hidden in many cases, it hurts many categories of our manufactured products, it gives goods made abroad an advantage on our domestic markets, it is discriminatory and it has too many exemptions.

The goods and services tax now being debated in the House of Commons corrects all of this. It favours our industry; it will benefit the auto trade. It provides assistance to Canadian small and medium-sized businesses in adjusting to the new regime and gives generous refunds to people on middle incomes and to seniors.

It is our responsibility, Mr. Speaker, to put Canada in step with the world economy by passing Bill C-62 quickly.

* * *

[*English*]

FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, the United Fishermen and Allied Workers annual convention in Vancouver gives all Canadians the opportunity to witness the demise of the fish processing industry on the west coast.

Union officials are saying that the herring processing industry is completely exposed by the recent free trade panel ruling. Processing employs about 10,000 people, jobs have already disappeared and there is a possibility that 80 per cent to 90 per cent of these jobs leave Canada for the U.S.

In Atlantic Canada, free trade did not protect our lobster industry; some of our lobsters are now excluded from the American market. On both the west coast and the east coast Canadians have been abandoned by a government more preoccupied by trade theories than by the well-being of its people. Jobs are being exported to the U.S. along with our herring. The Americans are building a processing industry using Canadian fish because this government has failed to protect Canadian processing jobs.

MINING

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I would like to remind the minister responsible for energy, mines and resources of the crisis Canada might face in the mining sector. I know that this government is allergic to the word "crisis" but nevertheless it is time we faced reality.

Over the last two weeks we have heard of the closure of three mines; one in Kimberley, B.C. and two in northern Ontario, my very own region.

We have also heard of the plight of fishermen and workers in the fish processing plants on both coasts. Canada still relies heavily on its resources to maintain its economy. There are about 4,000 single-industry towns in Canada and the industry is usually resource-based, be it forestry, mining or even fishing. These towns produce $55 billion in annual resource exports. I urge the minister to examine the situation of the mining industry in Canada before it is too late. Long term plans and rational thinking are needed.

As a former health minister, surely my colleague understands that you do not put a band-aid on a wound that requires stitches.

* * *

IRAN

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, not much has changed in Iran since the departure of Khomeini and the installation of the new president. Human rights abuses continue. In fact, there has been a dramatic increase in the abuse of human rights and in prosecutions for ordinary offences.

Today marks the end of a visit to Iran by the United Nations special *rapporteur*, Reynaldo Pohl. Mr. Pohl will be presenting a report on human rights abuses in Iran to the United Nations Commission on Human Rights meeting this week in Geneva.

Serious violations have been reported by Canadian friends and families of prisoners in Iran, as well as by over 1,000 Iranian exiles world-wide, who today terminate their hunger strike held in solidarity with the prisoners. Seventy-five of these protesters were Canadian.

We hope that the Canadian government will carefully consider Mr. Pohl's report in Geneva and take leadership for the first time in denouncing these persistent abuses which are intolerable and unacceptable to all Canadians.

ORAL QUESTION PERIOD

[*Translation*]

GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Finance I direct my question to the Deputy Prime Minister.

Canadian consumers will have to dig more than $23 billion out of their pockets just to pay the goods and services tax. For the past two years the Minister of Finance has been trying to convince us that consumers will recoup most of that money as a result of the repeal of the manufacturer's sales tax.

However yesterday in the House he finally admitted that he cannot give any guarantee that companies will pass on to the consumer the savings they make as a result of the elimination of the manufacturer's sales tax.

Can the Deputy Prime Minister tell us why the government failed to get from Canadian business spokesmen the assurance that such savings will be passed on to the consumer? If the Minister of Finance can promise that Canadians will pay the new tax, why can he not promise that in turn they will benefit from the repeal of the old tax?

Hon. Gilles Loiselle (Minister of State (Finance)): What my colleague the Minister of Finance said, Mr. Speaker, is that he was convinced the tax would be levied but that he could not give absolute guarantees. I would suggest nobody can offer this kind of guarantee in a market economy and I am sure the Leader of the Opposition agrees with that. But the fact is that competition rules do apply in a market economy. Were only one company involved it could fearlessly pocket the 13.5 per cent and add the 7 per cent, but that is impossible because it is already in no position to beat its competitors because of this regressive tax we have, but it is not the only one— We already have good indications. We will do our best to keep consumers well informed and tell them what kind of impact to expect in every sector. In light of what happened wherever this has been done, I am sure

Canadians will be well protected and benefit from the withdrawal of the regressive tax we now have.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of State for Finance is just as naive as his boss the Minister of Finance. Indeed, yesterday the Minister of Finance finally admitted that despite his budget forecasts he was not in a position to guarantee that the Canadian consumer would benefit from the removal of the old tax.

[*English*]

Mr. Speaker, don't you love it? The Minister of Finance and his colleague, the Minister of National Revenue, are going to hire 4,000 new tax police to police this new sales tax, but they will not hire anybody to make sure that the consumers of Canada get the benefit of the old tax.

Let me ask the minister about another aspect of this absurdity that he has brought before the House of Commons. The Minister of Finance, yesterday, claimed that he needed a massive advertising campaign, paid for by the very taxpayers who are going to be hit by the sales tax, to justify his new goods and services tax. He claimed yesterday that he needed this propaganda campaign, "so that Canadians would know the truth" and I am using his words, and "so that they would know all the facts".

• (1420)

Let me ask the Minister of State for one simple fact and one simple piece of truth: exactly how much is this propaganda campaign going to cost? Does the Department of Finance really intend to spend $9 million plus in a propaganda campaign because of the failure of the Minister of Finance, of his colleague the Prime Minister and the rest of the largest cabinet in Canadian history? They can't sell it in Parliament. They can't sell it in the country. Now they are going to spend taxpayers' dollars to try and sell it by an advertising campaign.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, it is incumbent upon the government to inform the Canadian people of the new system. This government intends to do that in the most economical way possible.

I cannot give the right hon. Leader of the Opposition a dollar figure right now, but I can assure him that the information that will be provided will be factual information, the type of information that the Canadian public is demanding and, as a matter of fact, the type of information that the Standing Committee on Finance said should be forwarded to the Canadian people.

Right Hon. John N. Turner (Leader of the Opposition): Let's start focusing on Brampton, Mr. Speaker. The Minister says that it is going to be factual information. Will these truthful ads say that Canada will be the only country in the world with two separate retail sales taxes? Will these ads say that the new GST will break every one of the commitments and rules set forth by the Minister of Finance and the Prime Minister during the election campaign? Will the ads say that the consumers won't benefit from the suppression of the old manufacturers' sales tax? Will the ads say that the government is hiring 4,000 new tax police to administer and monitor and gouge the Canadian people through this tax? Is this what these ads will say?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Most of what the right hon. Leader of the Opposition said is just not true, and he knows that full well. As a matter of fact, during the last campaign this government tried to debate sales tax and the right hon. Leader of the Opposition said we are trying to avoid the free trade debate. You cannot have it both ways. That is exactly what he did during the campaign and he remembers that very well.

The information that will be provided will be factual. It will not be the glory advertising back in the halcyon days of the Liberal Party when we had geese flying across the television set.

* * *

TRANSPORT

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have a question for the Minister of Transport. Can the minister tell the House and the Canadian people whether he was aware that last summer the acting chairman of CNR, Mr. Brian Gallery, a personal friend of the Prime Minister and also president of the Tories exclusive fund raising operation, was in a position of conflict of interest?

Mr. Speaker: That seems to me, with respect, an assertion, an allegation, and a serious one. I would ask the hon. member to keep in mind that if there is a charge to be made, it must be done in a proper way. The hon. member may have facts upon which he wants to ask the question, and that of course would be understandable, but that seems to be an allegation hanging in the air. I would ask the hon. member to rephrase his question.

Mr. Dionne: Mr. Speaker, I will ask the minister this question. Was the minister aware that the gentleman in question, Mr. Gallery, was, while in the position of acting chairman of CN, at the same time selling advertising to CN or buying advertising from them?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I indeed read today the allegations in the *Globe and Mail* concerning Mr. Gallery and I have personally asked the corporation's chairman to report to me. I will decide what to do in due course depending on the report I will receive from him.

[*English*]

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I would like to address my supplementary to the Deputy Prime Minister.

Will the Deputy Prime Minister take immediate action to bring about a full and complete investigation of what would appear to be a brazen and cynical conflict of interest to the benefit of a personal friend of the Prime Minister?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as my colleague, the Minister of Transport pointed out to the hon. member in answer to his earlier question, he has asked for a full report on the issue which was brought to his attention as a result of *The Globe and Mail* article and he will report back to the House in due course. Of course, it would be premature, Mr. Speaker, and I know the hon. member to be a very fair-minded person, and inappropriate, to make any quick decisions without ascertaining all the facts.

GOODS AND SERVICES TAX

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Deputy Prime Minister, who will know that Albertans have led the way in this country in the fight against the GST. In fact, he will know that of the entire Conservative benches, the only two who have thus far publicly declared their opposition to the GST are Albertans.

In response to the remarks made by the finance minister in this House last week, several Albertans have asked to debate the Minister of Finance. They include Mr. Jerry Doyle, the MLA for West Yellowhead, Mr. Ace Cetinski and the Sherwood Park Chamber of Commerce, one of the Minister's own back-benchers, and probably thousands of Albertans who would just love the chance to discuss the GST with any minister of the government.

I ask the Deputy Prime Minister, will the government accept any of these offers to debate the GST in Alberta with Albertans?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, several members on this side of the House have debated the issue, have appeared on public platforms and have spoken to the issue. The Minister of State attended a mass rally in Calgary not too long ago. The hon. member for Athabasca has been there. The Minister of Finance indicated in an answer yesterday that he will be going all across the country, including the province of Alberta, to talk about the issue, to debate it, and to appear on phone-in shows.

If the hon. member has not seen a copy of the speech that was delivered by the Secretary of State for External Affairs a couple of weeks ago, I will see that he gets it because it was a very good speech that laid out the facts.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I deeply regret that apparently the government has turned down all of the requests handed to it from Albertans to debate the GST—not to read a speech, not to attend a meeting, but to debate the GST.

Mr. Boyer: How about the floor of the House of Commons? We will debate it here.

Mr. Harvey (Edmonton East): This being the case, Mr. Speaker, might I offer the Deputy Prime Minister or any other government front-bencher right now this challenge: Will any of you debate the GST with me in Alberta?

Mr. Speaker: The hon. member for Esquimalt—Juan de Fuca.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I will now alter my planned question. I will alter it by simply saying to the Deputy Prime Minister, since you will not respond to my colleague from Alberta, is there anyone over there who will debate the GST in British Columbia?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, first of all the hon. member should honour the Speaker's ruling. If he would be fair and truthful to the House, he would recognize that I was prepared to answer the member for Edmonton East, and I am prepared to answer now.

• (1430)

Yesterday hon. members opposite wanted to debate with the finance minister on the floor of the House of Commons. They debated and they lost.

* * *

NATIONAL DEFENCE

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of National Defence, the person who occupies that position for the time being. He stood idly by during the presentation of the last budget and saw Canadian sovereignty eroded severely on both coasts.

For example, the Tracker aircraft which protected Canadian coasts against illegal fishing, illegal drugs and illegal pollution was scrapped and the fisheries portion was given to the private sector at twice the cost.

At a time when the fishery is in crisis, how can the minister stand by and see Canadian sovereignty taken from the Armed Forces and given to mercenaries?

Will he guarantee that this time around he will stand up to the Minister of Finance and say there is no way he will take Canadian sovereignty off the east or the west coast from the Armed Forces and that he will protect our coasts against illegal fishing and against illegal pollution? Will he do that?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I encourage my colleague's new-found interest in his critic's responsibilities. It is nice to see him back.

The decision to remove the Trackers from service was taken because Canada has interest in security. If we are not able to bring about the economic security this country needs to continue to grow and to provide the dollars so we can have military or defensive security, we will be in a much worse position than we are today.

The opportunity to provide a commercial outlet or operation with the surveillance under the Department of Fisheries and Oceans is not new. It is something that we have used to add to the surveillance. There has been additional money provided to fisheries and oceans so that it can provide surveillance on both coasts. It is not as the member would attest.

Hon. William Rompkey (Labrador): Mr. Speaker, the argument that the deficit is somehow fought by spending twice as much on the private sector as on the Armed Forces does not hold water with me or with any other Canadian.

In addition, four frigates are now going to be cut from the frigate program at a time when we need increased surveillance. The Atlantic fishery is in crisis. We need ships. We need patrol ships to protect against illegal fishing, against illegal drugs and against illegal pollution. How can the minister justify this kind of cut at a time when we need those ships most?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I am not sure whether the hon. member is aware, but the government is proceeding with the construction of 12 frigates. It has been announced and we are proceeding with them.

We are proceeding with the update of the Tribal class. We are proceeding to put those vessels into retrofit and to create new vessels, some 12 new frigates. I am not sure where the hon. member has been when he talks about cutting four frigates.

Oral Questions

CLOTHING INDUSTRY

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have a question for the Deputy Prime Minister and a fellow westerner.

The clothing industry employs 90,000 Canadians. Over 7,000 are employed in my home province of Manitoba. In the four western provinces alone the value of goods produced by this industry is set at over a half billion dollars.

This industry is in jeopardy because of the trade deal and now the government wants to kill the industry with the GST. The clothing industry is exempted from the manufacturers' sales tax, so the GST is a totally new layer of taxation for the industry.

Will the minister tell the workers in this industry how they are to survive both the free trade deal and the GST?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, first, my hon. friend from Winnipeg is factually incorrect. The clothing industry is subject to the manufacturers' sales tax in many areas such as communications equipment and so on.

We could go through a whole list of taxes which that particular industry pays that it will not pay after the GST comes in. That will benefit the industry.

As far as the free trade agreement is concerned, we are working very closely with our Canadian manufacturers when it comes to the types of materials they can use and the tariffs that they are paying on them. I have great faith in our clothing industry and our fashion industry.

They are making great inroads into the United States. As a matter of fact the other day the vice-president of Cambridge Clothing was telling me that he is making great inroads into New York and selling Canadian fashions made in Canada there. I think they have a bright future.

Mr. Harvard: Maybe the minister would like to tell those facts to Canadians at axe the tax rallies in the country.

AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, perhaps I will direct a question to the Deputy Prime Minister this time. It is about the GST but it has to do with agriculture.

This year, 1990, could be a year of disaster for farmers. This government has slashed farm support programs at the worst possible time. When many markets around the world are soft and prices are low, the government comes along with the GST, the worst blow of all. This could be the *coup de grâce*.

How can the government proceed with this vicious tax at a time when the Canadian economy is slipping into recession and the Canadian farmer is in such tough shape?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, perhaps the hon. member might do himself and everyone else a bit of a favour and bring himself up to date with the facts with respect to the GST as it applies to agriculture. As he knows or should know, agriculture is exempt.

Mr. Harvard: Farmers are consumers.

Mr. Mazankowski: As a matter of fact, it will have a positive effect upon the cost of farm inputs. Farm input costs will come down with the application of the 7 per cent GST because—

Mr. Harvard: What about consumer prices?

Mr. Mazankowski: Mr. Speaker, if he would just shut his mouth for a few minutes, I will give him an answer.

An hon. member: Oh, oh!

Mr. Mazankowski: Mr. Speaker, I did not mean that in an offensive way, as the hon. member knows.

Mr. Speaker: The hon. minister, and I would hope that the remainder of his answer does not strain credibility.

Mr. Mazankowski: I did not want to miss the opportunity to enlighten the hon. member about some facts. At the present time, if a farmer buys a half-ton truck, he pays a 13.5 per cent manufacturers' sales tax on it. If he buys a three-ton truck, there is a 13.5 per cent sales tax on it.

Under the new provisions a 7 per cent sales tax will be refunded. There is a whole host of items upon which the GST is applied, such as hydraulic jacks, post hole awls, barbed wire, fertilizer and chemicals. All those things will be exempt.

Some hon. members: Hear, hear!

* * *

PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the hon. John Reynolds, Minister of Environment for the province of British Columbia.

Some hon. members: Hear, hear!

Mr. Speaker: Also I wish to draw to the attention of members the presence in the gallery of Mr. Rostyslav Bratun, People's Deputy of the Supreme Soviet of the U.S.S.R. and member of the Committee on Foreign Liaison.

Some hon. members: Hear, hear!

* * *

CROWN CORPORATIONS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport. As every reader of *Seaports and the Shipping World* knows, CN has been one of the regular advertisers in a document which is produced by Gallery Publications owned by Mr. Brian Gallery who is also a member of the board of Canadian National.

• (1440)

The minister commented earlier that he is to investigate, but given the fact that there has been an ongoing financial relationship between CN and Gallery Publications for a number of years since Mr. Gallery became a member of CN, will he take his responsibilities under the Canadian National Railways Act and remove Mr. Gallery from the board?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I want to reiterate what I said earlier. I did not say I would investigate. I said I read the allegations in the *Globe and Mail*. I also said that I had asked the corporation's chairman to report to me and that I will take action depending on the report I will get from him. That is what I said and what I am repeating.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am sure that the Minister of Transport is aware that Section 117 of the Financial Administration Act requires directors of Crown corporations to declare their interests in a contract with the corporation or risk it being declared void.

I want to know if Mr. Gallery declared his interest in the contract for advertising to CN and, if not, will the minister remove him from the board of directors?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, once again, CN is a Crown corporation headed by a board of directors and, when a Crown corporation is the subject of allegations, it is customary for the Minister responsible to ask the chairman of the board to report on these allegations. That is what I said and what I will repeat over and over again in answer to questions that are all the same, Mr. Speaker.

* * *

[*English*]

CHARITABLE ORGANIZATIONS

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the Minister of National Revenue.

Over the last year or so we have seen some very serious allegations, as well as some outright violations of the rules and regulations governing charitable organizations in Canada. The current climate has seriously damaged the reputation of charities in general but would also suggest to us that perhaps the government may no longer be able to monitor and control the activities effectively.

What is the minister doing to clean up this situation which has such a negative impact on charities and the excellent work that they are doing across Canada?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member knows, there are some 60,000 charitable organizations across this country, the great majority of which are very legitimate organizations and benefit society as a whole tremendously.

The hon. member is correct in saying that over the past months and the past couple of years there has been a few who have taken advantage of some loopholes and have abused the system at the expense of the majority of the others. Therefore, as recently as last November, I

advised my officials to begin a comprehensive review of this system.

We are now in the process of consulting with interested individuals and organizations across the country, with a view to eliminating the abuse and coming down with the bottom line objective to make the system fairer, simpler and better for the majority of legitimate charitable organizations in this country.

Changes will take place. They will be very effective and powerful to make the system better and fairer.

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CANADIAN BROADCASTING CORPORATION

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, in the absence of the Minister of Communications, my question is directed to the Deputy Prime Minister.

Since 1984 this government has presided over $280 million in budget cuts to the CBC. Now the minister is presiding over the dismantling of the national headquarters.

Can the minister give the assurance that those regions of Canada other than Montreal and Toronto will have sufficient resources to fulfil their national mandate?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I think it is very clear that the government has shown its support for the CBC by granting it numerous increases in the past few years.

In 1987–1988 the government granted an annual increase of $20 million over a 10-year period in order to enable the CBC to replace its outdated equipment.

In 1988–1989 the government gave the CBC some $65.5 million in new appropriations for the carrying out of its broadcasting centre project in Toronto, and in 1988–1989 the government gave the CBC nearly $130 million for the period from 1989 to 1990 and 1992 to 1993. Then of course there was a new appropriation of $81 million to meet unanticipated costs.

The member's question relates to the regions outside Toronto and Montreal.

In answer to that question, that is a matter for determination by the CBC's board of directors that directs an arm's length organization.

Some hon. members: Oh, oh!

Mr. Edwards: The announcements made today decentralize the decision-making processes of the CBC so that the needs of the regions can be recognized.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary is directed to the member.

Mr. McDermid: You are a centralist.

Mr. Mills: Yes, I am somebody who believes in strong national institutions.

Some hon. members: Hear, hear!

Mr. Mills: I must say that this member cannot stand up and give us an assurance that there will be no CBC budget cuts in western Canada, in Atlantic Canada and in northern Canada.

Can he stand up and give us assurances that there will be no budget cuts?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, lest there be some misapprehension on the part of the House and the nation, the budget cuts that were dealt with today by the CBC president were the result of the April 1989 budget announcements.

They impact largely upon the administrative overburden of the CBC. President Veilleux went to some length to stress that he is trying to preserve the core programming, and especially the regional strengths of the CBC.

Some hon. members: Hear, hear!

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the parliamentary secretary is right. I am afraid my colleague over there is wrong.

The parliamentary secretary was chairman of the communications committee. The fact is that the government's goal of 95 per cent Canadian content in broadcasting is fundamentally at odds with the $20 million cut-backs today, to be followed by another $15 million in programming. The government cannot have it both ways, can it?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I should stress to the hon. member that there were no new cuts today. The

CBC simply announced its plan for dealing with budget cuts that were part of the April 1989 budget.

Those plans include an acceleration of the four-year plan proposed by the government to deal with those cuts over a three-year period.

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MINES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last week, Rio Algom mines in Elliot Lake announced they were going to be laying off some 1,600 employees. Today, press reports suggest that Denison mines will likewise be laying off 700 employees this year.

Is the minister prepared to put in place a plan of action by the federal government, in co-operation with the municipality, the unions and companies involved, to minimize the adverse impact of the loss of these jobs in the uranium mine industry?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, it is disappointing when mines are closing. In fairness to what has been happening in Elliot Lake, the community, the workers and the company, as well as the hon. member, have been trying to work with the provincial and federal governments in reducing the impact. I think we all recognize that in terms of nuclear generation those mines have suffered, both from new contracts not being available and also the price of uranium having dropped below the $10 mark.

Having said that, my colleagues, the Minister of Employment and Immigration and the Minister of State for Small Businesses and Tourism, responsible for FEDNOR, have given their good offices in whatever way they can to help in the adjustments. There are Community Futures programs available.

All of us recognize that this will not replace the 1,600 jobs, but we are going to be as helpful as we can to the people locally, as well as to the provincial government, to try and ease that reality and see what adjustments can be made so that Elliot Lake can not only survive but can also have a future.

Mr. Maurice Foster (Algoma): Mr. Speaker, I appreciate the hon. minister's words. The minister knows that with the magnitude of this loss of jobs we are not only talking about the miners who are laid off themselves but we are talking about the very viability of the whole community, including small business, schools, churches, and hospitals.

• (1450)

Is the minister willing, at an early date, to visit the community of Elliot Lake to meet with the community action committee there to ensure, in co-operation with the unions, companies and the municipality, that every possible resource of the federal government is brought to bear to try to reduce the adverse impacts of the announcements which have been made in the last couple of days?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I mentioned yesterday in the House, the Industrial Adjustment Service and the Community Futures, because this area is designated as a Community Futures area, is designed to deal with just that kind of problem in terms of the over-all impact on the community and other opportunities.

I may say, on behalf of my colleague, the minister of energy, that I know several of us including myself have been in the hon. member's region. We sympathize with his concerns.

There are three or four ministers involved in the solutions, including the Minister of State for Small Businesses and Tourism with the responsibility for FEDNOR, which has already brought new activity to many parts of northern Ontario, as the hon. member knows. All of us take a personal interest in what is happening and will continue to do so.

* * *

JUSTICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the Marshall report was strongly critical of the behaviour of two federal judges. One judge was found to have persuaded then Liberal Justice Minister Chrétien to limit the scope of Marshall's appeal reference. Another judge should never have been appointed to the appeal panel in the first place because as Nova Scotia's Attorney General he was responsible for Marshall's original defective prosecution.

Since the minister has had this report in his hands for four days now and the jurisdiction over the federal judiciary is entirely within the responsibility of his ministry, will he immediately use his powers under Section

63(1) of the Judges Act to refer this matter to the judicial council for investigation and possible disciplinary action.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I indicated in the House yesterday and I reiterate today that my officials and I intend to review the Marshall inquiry report thoroughly and only at that time, after the review is completed, am I prepared to comment on what action will or will not be taken.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, Donald Marshall spent part of an 11-year sentence in jail. That is a long, long time to be in jail for a crime of which he was not guilty.

The essence of this matter is the speed of the government's action. The report has now been in the minister's hands for four days. This matter is entirely within the minister's jurisdiction. Donald Marshall has been failed at every level of the justice system: the police, the courts, the justices. Is this minister going to add to that failure by failing Donald Marshall himself?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think I am safe in saying that no member of this House and no member of the public can condone any injustice that was done to Donald Marshall.

There is no question about that from the government side. I do not think there would be any question about that from the opposition side. We intend to do justice in this matter to all those involved. That means taking a very reasoned look at the report, coming to conclusions and making those conclusions public. I undertake to do all those things, and I undertake to do it in the interest of justice.

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PULP AND PAPER

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of State for Forestry.

This question impacts both on the environment and on forestry. One of the major policy directions being taken on behalf of the environment throughout the world and one which also relieves the pressure on our forests is the increased production of pulp and paper from recycled raw materials.

What proportion of Canada's total pulp and paper production is presently obtained from recycled waste? What is Canada's targeted proportion, and what is the Government of Canada doing to influence increased pulp and paper production from recycled waste in this country?

Hon. Frank Oberle (Minister of State (Forestry)): Mr. Speaker, that is a very pertinent and excellent question. It may well be that in this critical area the industry may be leading because in excess of 25 per cent of all paper consumed by the Canadian public is already recycled in Canada.

The problem is that some of this paper comes from foreign suppliers. This would indicate that there is a need to inform the public and to bring about a greater public consciousness so that we will all collect our paper and make it available to the industry which is anxious to use it in the process.

In that particular case, again industry is leading public opinion and is leading government in this area.

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INDIAN AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I will direct my question to the Minister of Indian and Northern Affairs in the absence of the minister responsible for Canada Post.

Starting tomorrow, because of Canada Post's food mail rate increases and the decrease in subsidy by the Department of Indian and Northern Affairs, Baffin Island residents will have to pay $4.20 for a dozen eggs. In this capital city, people pay $1.09. Starting tomorrow one litre of milk will cost people in my constituency $4.50, compared to $1.29 for people in Ottawa.

How can the minister justify imposing these food price increases on northern residents, many of whom are on fixed incomes and make less than $10,000 a year? How can he justify making food more expensive, when the recent report of the Canadian Institute of Child Health has reminded the government, once again, of the tragic health conditions of Canada's aboriginal children?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to make one correction before answering the question. It is not a decrease by DIAND of the subsidy that is involved because DIAND was not subsidizing that particular operation.

As my hon. colleague knows, there has been consultation in the past two or three months with respect to this particular issue. It has been undertaken that the proposed increase will be reduced by 5 per cent. There will be a freeze on any other increase until next year, while all departments under the direction of the Department of Indian Affairs and Northern Development undergo a study in order to assess the situation and bring forth corrections for the next year.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my supplementary question is for the same minister. A 5 per cent decrease is a small comfort when the average price increase will be 32 per cent.

This morning, after hearing northern Inuit and Indian people explain how devastating the impact of these rate increases will be, the consumer and corporate affairs committee of this House passed an all-party resolution requesting a nine-month moratorium on the proposed increases.

Since the increases are schedule to take effect tomorrow, will the minister relieve the anxiety of northerners now and tell us whether he will ask or order Canada Post to institute a nine-month moratorium immediately, as requested by the committee?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have been made aware of the committee's recommendation this morning. As my hon. colleague knows it is addressed to Canada Post, and I will transmit it to the appropriate minister.

Mr. Speaker: The hon. member for Ottawa South on a single question.

* * *

SCIENCE AND TECHNOLOGY

Mr. John Manley (Ottawa South): Mr. Speaker, my question is for the Minister of State for Science and Technology. It concerns the Statistics Canada report issued yesterday on federal scientific activities.

That report indicates that science and technology expenditures in Canada have fallen significantly from 3.9 per cent in 1980 and 1981 to 3.5 per cent in 1989 and 1990.

I would like to ask the minister if he believes his own rhetoric about science and technology. Is he willing to take the kind of stand that the Secretary of State for External Affairs has taken and offer his resignation if the government continues its cut-backs in science and technology spending?

Hon. William C. Winegard (Minister of State (Science and Technology)): Mr. Speaker, I think the figures that have been cited may be a little misleading. I think it makes a little more sense to look at S and T expenditures on program spending. Let us take the debt payments out and look at program spending.

• (1500)

I think the House would be interested to know that in 1980–81 those figures were 4.65 per cent. They went down in 1984–85 under that government to 4.46 per cent. Under this government, taking out the debt, they have increased to 4.89 per cent. That is how we treat S and T, not like the Liberals did.

* * *

SOCIAL SERVICES

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to put my question to the Deputy Prime Minister. The Minister of Finance has stated that Canadians surviving on incomes below the poverty line will benefit from the goods and services tax. In fact, Canadians and their families on social service will not be better off. The province of Saskatchewan deducts 100 per cent of family allowance from welfare cheques.

Will the Deputy Prime Minister promise this House that he will work with the Minister of Finance to ensure that Canadians on welfare will not have their rebates deducted from their welfare cheques?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, it goes without saying that the federal government is always concerned when we increase benefits to recipients that the provinces step in and take those benefits away in one form or another.

The answer is yes, we will work very closely with the provinces to try to ensure that this does not happen.

* * *

POINTS OF ORDER

BUSINESS OF THE HOUSE

Mr. Jim Fulton (Skeena): Mr. Speaker, I think my point of order may be a bit of a hybrid between privilege and order but I will leave that up to you to advise the House.

At 12.43 p.m. today, the bells in the chamber and throughout all the buildings on Parliament Hill began to ring. As members would know, in the upper left-hand corner of the television sets both here and in the lobby, in members offices and in other areas of the precincts of the Hill, there is a digital clock which gives members and the public some idea of how long the bells are going to ring before a vote is taken.

I was, in fact, when the bells began to ring, in the middle of a conversation with representatives of the Canadian Human Rights Commission. I turned on the television, saw that there were 29 minutes and something available and carried on with the conversation only to find that the bells stopped. I subsequently saw a voting procedure begin.

The reason I think that there is clearly either a point of order or a question of privilege and that we have some options is that if we are going to continue having that digital display advising members how long it is until we vote, there will have to be a clear procedure as to whether or not it is a 15-minute bell, a 30-minute bell or something else.

Why I say it is possibly a hybrid between a question of privilege and a point of order is that perhaps there was what might be described as a hybrid political relationship between the Liberal Whip and the Government Whip in this situation in their joint desire to quickly pass the GST legislation.

If you could give me some idea as to whether or not that digital clock is going to continue to be there, perhaps we could add a little red or green light so we will know what has been agreed to by Whips. If there is agreement, then a green light would come on. If it just sort of a loosey-goosey situation, perhaps a red light or a blinking light or an orange light could come on so the members have a better idea of what is happening.

Today, Mr. Speaker, I am not convinced that a legitimate vote was taken just prior to one o'clock because members who were in committee or elsewhere on the Hill were, to the best of our knowledge and ability, determining when to come to the House based on that digital clock. I think my privileges and the privileges of other members were damaged and perhaps usurped, and I look forward to your ruling.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have never heard such nonsense in my life. To re-establish the facts, the facts are that when the House is in debate, we get eight hours of debate at second reading before we revert back to 10 minute speeches.

What the NDP was doing this morning was trying to cut honest debate, good debate, opposing debate on GST by having the bells ring for one-half hour when, indeed, the floor had been given to the Liberals and should have been given to the Liberals because it was our turn. We want to debate this bill. We do not want to waste time as the NDP are doing.

Second, I take strong exception to the New Democrats not getting their act together and not operating within the rules of this House. We will continue to want to debate this bill to the utmost and to defeat this bill, if possible, but we will not play without rules, we will play within the rules.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think the issue is really quite simple. If the NDP and the member who spoke and brought this to our attention would read the rule book, they will find that the rules are expressed in terms of the maximum amount of time until a vote. The clock on the television reflects the maximum amount of time available until the vote. The rules do not deal with minimums. We have had several votes in this session of Parliament already where we moved rather quickly, within a minute or two from the commencement of bells, for the kinds of reasons which the Whip for the Official Opposition lays on the table.

This is supposed to be a place where great debates take place on the great issues of the time and the dilatory $5-million waste last week of taxpayers' money in this Chamber by the NDP is just something that responsible members of Parliament will not tolerate any more than they have to.

I suggest to the member that he read the rules and look at the screen. The screen is in accord with the rules. This is another example of wasting the time of the House with a nonsensical point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to make a short intervention. Methinks the opposition Whip protest too much.

The point of the hon. member for Skeena was that we have all come to accept the fact that the little digital clocks on the television screens indicate the time intervening until the vote. Otherwise, there would be no point in having it on the screen. I guess what we are saying is that from this point on, that clock and the time down to the vote is meaningless, irrelevant and should be struck from the television screens because it has, obviously, misled a number of members. That is the point the member for Skeena was trying to make. This is a legitimate point of order. The member wanted to vote against the GST and because of the Liberal-Conservative co-operation on this matter, he was unable to do so.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to say a few words about this so-called point of order. The hon. member who raised it said it is a hybrid. I can think of another word to apply to it, but I do not think you will accept it as parliamentary.

I think that in so far as the hon. member wants some clarification of the significance of the digital clock on the screen, that is a question that should be clarified and he has received clarification. But I do not think that the government House Leader should, I am sure inadvertently, create the wrong impression about what the vote was all about.

It was not a vote against the GST or for the GST. The motion, as I understand it, was that the Liberal member for Ottawa South not be allowed to speak. The NDP moved that another member, other than the member for Ottawa South, be heard. The hon. member for Ottawa South had the floor and was on his feet to oppose the GST and was ready to speak for 20 minutes and then have a 10-minute question and answer period. The New Democrats got up and tried to muzzle him, tried to prevent him from speaking against the GST, and that is all that happened.

I conclude by saying that the point of order, or whatever you want to call it, deserves to be raised in terms of clarifying the use of the clock, but I do not think it is correct for the New Democrats in their desperation over being left out of the debate on the GST, to try to misstate what the vote was about. It was about trying to prevent the member for Ottawa South from having his say against the GST.

I do not think NDP members will ever be able to explain why they tried to prevent a member of this House from opposing the GST if they are really against it.

• (1510)

Mr. Speaker: I will hear the hon. member for Port Moody—Coquitlam in a moment.

I think perhaps it might be helpful to members and to the public to understand exactly what has taken place here.

The hon. member for Skeena has risen and explained to the Chair that watching the television set, which is available in the offices of all hon members, he noticed a vote was about to take place. There is for the convenience of members a digital clock that appears on the face of the television set. It is there for convenience only. I am prepared to certainly consider what might be done in order to make sure that no hon. member is misled by what the television screen shows.

However, I want to explain to hon. members and to the public, that when the bells ring, in most cases unless there has been some arrangement otherwise, they are either what is called a 15-minute bell or a 30-minute bell. There is also a long convention in this place that if the two Whips walk back in the Chamber and take their seats earlier than either 15 minutes or 30 minutes, then we are bound to proceed with the vote. Now that is a rule of the House and it is an old and long-time tradition.

The only thing that I am concerned about at the moment has nothing to do with why the bells rang. If hon. members are interested in why the bells rang or if members of political science classes or the public want to know why the bells rang, they can look at *Hansard* and see that a motion was moved. Upon that motion being moved, and it has been moved many times by all parties in this place upon occasion, there is a vote called.

It is not for me in listening to this point of order to comment whatsoever on the tactics used, the whys or the wherefores of it. What I am applying my mind to is solely

the question of television coverage, and once the vote is called, that is end of the coverage of the Chamber. All we have is the ticking clock. Perhaps the solution might be to have television coverage of the Chamber. Hon. Members could see Whips come in. However, that is not for me to say.

I will look at the question of the clock. I have some indication that members other than those of the party of the hon. member for Skeena may have also found themselves in some difficulty today. But that is the sole issue and I want it clearly understood. I will see if something can be done to convenience members, but I point out the reason the clock is there is a matter of convenience only.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise just so that the House is not inadvertently misled by some of the gratuitous remarks made by the opposition House Leader. I was here. I do not believe he was here for the vote. I voted and it was not to stop an hon. member from speaking. I would not vote that way. It was to hear our finance critic, the member for Yorkton—Melville.

Some hon. members: Oh, oh!

Mr. Speaker: I would invite hon. members to consider what has been said in what started off as a point of order, and if they are still convinced after having looked at *Hansard* that the matter has to be brought to me further, I will of course hear them. But I am not at this point entertaining argument on why the vote was called or what the purpose of it was.

I will, of course, hear the hon. member for Ottawa—Vanier. I know he will take into account what I have just said.

Mr. Gauthier: Mr. Speaker, you have convinced me. I rest my case and I will refer to *Hansard*.

However, since you alluded to the fact that the Whips may be the ones to whom we should be looking to decide when a vote will take place, short of doing a dance with my colleague from the government side, I am ready to look at that whole problem, especially in this regard.

It has been a tradition of this House that when the Whips walk into the House, members give way and clear the aisles. That has not been our experience in this Parliament and I would like to ask members of this House, in an effort to be co-operative and to show some respect for the Whips coming in for the vote, that maybe they clear the aisles so that the Whip and I do not have to wind down the aisle through all kinds of opposition.

Mr. Speaker: The hon. member for Esquimalt—Juan de Fuca may want to assist the Speaker.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, not on the merits of the particular case, but the mechanics of the case, there is another question I would ask the Chair to consider, namely to notify members of committees who also must look to that clock for guidance. Members in committee are also placed in the invidious situation of not knowing that that time frame will not be met. There may be an occasion where there are far more serious events and members of committee will miss that opportunity to vote.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am prompted by my good friend from Esquimalt—Juan de Fuca to suggest to him and his colleagues that since the New Democratic Party has indeed entered the age of technology and discovered the benefits of hidden microphones, perhaps the NDP Whip could get himself a walkie-talkie to keep the boys and girls of the NDP informed so that they can get here to the House on time for votes.

Some hon. members: Oh, oh!

Mr. Speaker: I suppose gallantry imposes upon me the obligation to let our hon. friend from Nickel Belt at least have his say.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I was here when the motion was put. I heard the Whip from the government side say that 30 minutes and 15 minutes on the television screen monitor is really a guide and there is no minimum time.

In fact, I was here. That bell rang for about two minutes, so even if members had to come from the Confederation Building by bus—I am corrected, the bell rang for three minutes—it is possible they could have missed the vote.

That was a recorded vote, and members do have a responsibility to be here. We cannot be held responsible if the Whip from the Liberals and the Whip from the Conservatives cooked up this deal to get this thing put

through. And we know why they wanted it pushed through. We know why! After all they have—

Mr. Speaker: I want to assure hon. members I have heard the point and I will consider it and see if there is something that can be done to convenience members. I do not think there is any need to extend this discussion.

Is the hon. member rising on a different point? I recognize the hon. member for Kingston and the Islands on another point.

PRIVATE MEMBERS' BUSINESS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, this morning I, and I am sure all hon. members, received a notice from the Clerk advising of a draw to be held pursuant to Standing Order 87(2) for Private Members' Business on Thursday, February 1.

Members will know that the Standing Committee on Elections, Privileges, Procedures and Private Members' Business had the honour to submit its seventh report to the House a few weeks ago—in fact some months ago now—in which it recommended some changes to the Standing Orders relating to Private Members' Business that will expedite the disposal of this kind of business in the House. It provided for additional hours, it provided for a revised system of draw and so on.

I am wondering if I might request of Your Honour that the draw to be held on February 1 be deferred to a later date so that the motion standing in the name of the chairman of our committee could be debated and approved by the House before the draw occurs.

• (1520)

Mr. Riis: Mr. Speaker, on the same thoughtful point of order, I want to reply on behalf of the New Democratic Party. We spent a lot of time as members examining the whole process of Private Members' Hour. At the beginning of that process I suggested that we look at it in a more comprehensive way and not simply that the New Democrats had been particularly ambitious in presenting various motions and various private bills when the Liberals had presented a handful and I think the Conservatives had presented virtually none. But that is beside the point. That is not the issue.

On the other hand, we recognize that perhaps by backing off and introducing some changes, it would be to the benefit of all members. That is certainly our main motivation in considering this.

I want to say that we are in the process right now as a caucus of examining the very important report. It was a good report. The members on it obviously worked hard on behalf of all of the members of the House. But I think, rather than take this what I believe is a premature step, I would rather hold off for a day or two. The caucuses will meet tomorrow, I understand, at which time I think all the caucuses, if they have not already, will have a chance to deliberate on this important issue.

So while my inclination is to give consent, I think in the spirit of the value of the private members' work in this House, it deserves another day or two of reflection, consideration and thought.

Mr. Cooper: Mr. Speaker, in light of the hon. member's comments, which I think are very valuable, perhaps what we could do is just ask that the draw be delayed until the parties have had an opportunity to have discussions on this particular subject which I think is very important for private members of this House, and we could ask for the consent of the House to do that perhaps.

Mr. Riis: Mr. Speaker, I realize that my hon. colleague is going to soon ask for unanimous consent from my hon. friend in the Liberal Party. Our rule as a party, that is the New Democratic Party, has been to completely and totally not co-operate with the government because of the GST fight that we are waging.

Mr. Epp: This is Private Members' Business.

Mr. Riis: Let me get to it, Jake. I know you are anxious about that GST, but let me finish this conversation.

Because we are dealing with Private Members' Business—this has nothing to do with the government's initiative, it has to do with Private Members' initiatives—I would be quite prepared to agree to put off the draw until we have had a chance with each of the caucuses to examine the situation, deliberate further among the House Leaders and come forward hopefully with a standing order which we would all agree with, as opposed to the report. The report includes many items with which I have difficulty but I am sure that for 90 per cent of it we

can agree upon and perhaps we can proceed in that fashion.

Mr. Speaker: I thank hon. members for their contributions. I should explain that under the rules, the Chair has no power to unilaterally postpone the draw. I am sure hon. members know that.

There seems to be a general disposition to postpone it pending discussions between all three parties. Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C–62, an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p.7569).

The Acting Speaker (Mr. Paproski): When the House recessed for the lunch hour, the hon. member for Ottawa South had 13 minutes left plus 10 minutes for questions and comments.

Mr. John Manley (Ottawa South): Mr. Speaker, again we have had lengthy argument over the NDP wishing to interfere with the delivery of this speech. I can well understand when they elect a new leader and immediately drop five points in the polls why they would not like to have anyone else get up and give a reasoned and detailed explanation of objections to the GST. I can certainly see why they do not want 20–minute speeches. They do not have too many members that are capable of giving a 20–minute speech on the GST.

I would like to refer you, Mr. Speaker, to a white paper that the government put out back on June 18, 1987, in which it set out the objectives of tax reform. It states:

> The tax reform proposals have been designed to meet five broad objectives: fairness, competitiveness, simplicity, consistency, reliability.

This is the objective of tax reform. The question I have for the government is how can it come before the House and suggest that the goods and services tax proposal that is before us for consideration meets those five objectives. I suggest that there is absolutely no question that it does not.

What about fairness? I do not know what fairness means to you, Mr. Speaker, but we have an idea based on what the minister said yesterday of what fairness means to him. Reading from page 7559 of *Hansard* yesterday, the Minister of Finance described the vision of Canada that he is putting forward. I quote:

> It is a vision of conservatism at its best, which is to preserve what is good and to leave a better quality of life to those who follow us in terms of both a higher standard of living and a healthier environment—it is a vision deeply rooted in reality and expressed through decisive action, not empty rhetoric.

What I agree with in that is that his vision of Canada as evidenced by the goods and services tax is a vision of conservatism at its best. It is conservative. It is a conservative view that says that we do not need to care about the poor. We do not need to care about the illiterate. We do not need to care about students. We do not need to care about the people who live in the disparate regions of this country. We do not need to care about the north.

The seniors of this country, those who are living on fixed incomes, who are surviving and making do, are the ones who begin to be hurt first by this measure. Government members have told us, and we have raised this point many times, that there is a refundable sales tax credit for the poor and they pontificate as the minister did yesterday saying, "We have raised it in the past. Of course, we'll raise it in the future."

Let me tell you what the government really thinks about the elderly. At least one of its members speaks openly and says what he thinks. This is the Chairman of the Finance Committee, the member for Mississauga South, commenting on the elderly which was printed in the Toronto *Star* of September 27, 1989, and I quote:

> They live at a slower pace and they don't spend money in the same sense that you and I do. Older people don't wear out their clothing. They don't wear out their furniture. They don't run around and all of that costs dough.

There is compassion for you, Mr. Speaker. That is why the elderly do not need to worry about the goods and services tax. They do not run around.

What about the students? We raised the issue of education yesterday and the minister denied that education was affected by this tax. Does he not realize that, for the first time in Canada, we are going to be taxing books? We are going to be taxing reading.

The member for Calgary down at the far end of our side, yesterday, said, "Well, can't they borrow them from the library?" It is hopeless!

The regions of this country, those that are away from the central manufacturing districts of Ontario and Quebec, are desperately concerned about the effects of this tax. They are concerned because, once again, they are going to be excluded from those good manufacturing jobs that have always been central in Canada.

What happens with this tax is that for the first time there is going to be a tax imposed at the federal level on the costs of transportation. It is going to mean that to live in the regions will be even more expensive than before.

To try to put factories in the regions and export things to central Canada to be sold is going to be ever more difficult than it was before because not only will transportation costs be a factor but the tax is going to be imposed on top of transportation costs at the consumer level. The government members don't care about that. In fact, what they see in this tax is the fact that the regions in western Canada will be ever better able to send their goods south of the border. They are looking to the north–south connection. They are not worried about tying this country together as they should be.

• (1530)

There are lots of sectors that are affected badly by this tax. I know my colleagues will be raising many of them in the hours of debate that still remain.

Tourism is important. Tourism has never been taxed at the federal level, other than indirectly to a very minimum extent. Now all tourism services are going to be taxed. There is going to be a disincentive for tourists from other countries coming to Canada where they will be subject to that tax. I know the government is going to say, "Oh, but they can get a refund. All they have they to do is keep all their receipts and send us a nice letter when they get home and we'll send them the money back". That is wishful thinking. I think we would be better to get the tourists here and let them spend their money and keep their 7 per cent, and encourage them to do that.

As for Canadians, is there an incentive to travel within Canada as a result of the GST? No. Why not go south of the border where they are going anyway to do their shopping, because of the government's monetary policy, and not face a 7 per cent tourist tax. Three million dollars a week is being spent in the United States by Canadians who cannot afford our high dollar.

Other sectors include the independent insurance adjusters, just as an odd example. They will be wiped out by this tax. The incentive for insurance companies to do all of their adjusting in–house will be irresistible. A whole entrepreneurial, small business sector of our economy will be wiped out in one move with the imposition of this tax.

Then there is the objective of simplicity. Mr. Speaker, my leader yesterday did some reading from the act which illustrated the lack of simplicity. I have my own favourite section though. He read the part on housing. The one that I like is Section 148, "Small Suppliers". The reason I like that one, Mr. Speaker, is because the GST is not supposed to be too onerous for the little people, you know, the ones that have gross revenues from their businesses of less than $300,000. They are really at the low end so they are exempt from this.

They are the music teachers, the people who do hairdressing in their homes and that sort of thing. One of them might want to know for sure that they are exempt so that they do not have to collect the tax. My advice to them, if they are listening, is get your copy of Bill C–62 and turn to page 1990, Section 148. Read this section and figure out if you are one of the small suppliers that is exempt from the tax. Here is what it says:

> 148. (1) For the purposes of this Part, a person is a small supplier—

So far, so good.

> —throughout a particular calendar quarter and the first month immediately following the particular calendar quarter if

(a) the total of all amounts each of which is the value of consideration that became due in the four calendar quarters immediately preceding the particular calendar quarter, or that was paid in those four calendar quarters without having become due, to the person or an associate of the person at the beginning of the particular calendar quarter for taxable supplies, other than supplies by way of sale of capital property of the person or of the associate, made by the person or the associate in the course of commercial activities does not exceed the total of

(b) $30,000, and

I will not read paragraph (c). It is just as long as paragraph (a). Then in (2), there is an exception to that definition which is equally as long as the first part, including the part I did not read.

Now that is the lowest end of the scale on this tax. These are the people to whom it does not apply. How would you like to explain it to the people to whom it does apply? Good luck music teachers.

In the short time remaining to me I would like to raise a matter that I think is of very fundamental importance because I think there is some smoke and mirrors going on across the way on this issue. I raised this question yesterday. The Minister of Finance was good enough to come here for an hour yesterday, as the Minister of Justice said earlier, but not in order for us to debate with him. There was no opportunity for debate. He was here for us to ask questions. He was not here to give answers.

In fact, the House leader of the NDP got up at the conclusion of the exercise, if you can believe it, and said in a very pontifical way, "We appreciate the Minister of Finance making himself available for this hour to enter into this exchange. I think it has been helpful and useful". I do not think that the House leader of the NDP was even listening to what was going on, either that or he did not understand it.

I asked the Minister of Finance whether this was not the greatest single corporate tax decrease in the history of Canada. Did he answer it? No. No.

Mr. Riis: Mr. Speaker, I rise on a point of order. I would not normally interrupt my hon. friend's speech. He had an odd good point in it. He referred to the House leader of the NDP and the fact that I drew attention to the fact that the Minister of Finance had stayed in the House an extra hour to respond to questions. That was one of the first opportunities we had, in a sustained way, to not only question the Minister of Finance but to get him on record saying certain things. He said, for example, that he assumes that all of the savings that manufacturers will have when the manufacturer's tax is reduced from 13.5 per cent to 7 per cent will be automatically passed on. Of course, that is an assumption that he makes. I do not think there is a single other Canadian who makes that assumption. It was important to get the Minister of Finance clearly on record.

If I may while I am on my feet, it is clearly on record on a number of occasions that we have seen this co-operation, that the Liberals have actually supported the government's efforts to introduce the GST.

The Acting Speaker (Mr. Paproski): The hon. member for Ottawa South on debate. There will be an opportunity for questions and comments within the next three minutes.

Mr. Manley: Mr. Speaker, the suggestion that we support the GST is so ridiculous as to fall of its own weight.

In the smoke and mirrors yesterday I would like to point out what I think to be a contradiction in what was said. The House leader of the NDP brought out the point that the minister tried to say to us that all of the manufacturers' sales tax is going to be passed on. That is what he said. He said that in answer to questions. But in his speech yesterday, as reported at page 7560 of *Hansard*, he stated:

In fact, about one-half of the $18 billion in federal sales tax revenues currently comes from the taxation of business inputs, materials and supplies used in the production process.

He said that in the context that the savings of this business input tax was going to be available to broaden the capital investments in the country. He cannot have it both ways. Either it is available for business to invest or it goes through to consumers. The reality of this tax is that in a massive degree tax is being shifted from corporations to individuals, and that in the face of the minister's promises that corporations were going to bear a larger share of the tax burden in this country.

I do not know why the minister is not willing to be forthright on this. Twice the question; no answers. I challenge the government to come forward and say "Yes, we admit it. Because we believe in the corporate model, we think it is best that individuals pay tax and not corporations". Therefore we have, by the minister's own

admission, moved at least half of $18 billion from the corporate level to the individual level.

I know that my time is up and I appreciate your indulgence, Mr. Speaker.

[*Translation*]

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, I have a brief comment and a question for the hon. member for Ottawa South (Mr. Manley). Earlier, he was poking fun at the text of the bill as he quoted a few passages. I may remind the hon. member that any text about taxation will inevitably contain indications that, on the face of it, may seem overly technical and sophisticated. However, I may remind the hon. member that this tax bill is supposed to replace the present legislation which contains 22,000 exemptions that could fill a dozen volumes. I am sure that if he played fair ball and quoted the exemptions that have accumulated over the years, it would be a very entertaining experience.

I have only one question for the hon. member. I think the GST has both interesting and difficult aspects. It is a revised form of an existing tax. Part of the good news, as I told my constituents, is that I am going to wait until the GST is introduced to buy a new car, because as of January 1991, we can expect to pay between $500 and $600 less for a car that costs between $15,000 and $16,000. That is what I tell people. This is very good news.

Am I to understand the hon. member for Ottawa South is against reducing the federal tax on cars? How will he explain to his constituents, who will be glad at the news, that he is against the tax? How can he argue against this price reduction?

• (1540)

Mr. John Manley (Ottawa South): Mr. Speaker, I have two things to say, first, on the subject of simplicity. The hon. member will have to admit that the minister, not I, said that one of the objectives of tax reform should be simplicity. So my question was: Does this bill reflect the government's desire for simplicity? I haven't read all the difficult parts, the technical parts that apply to the oil sector, for instance. I looked up the parts that apply to music teachers, but if they don't understand the parts that concern them, we have a problem, if simplicity is what the government wants.

Now about cars, obviously the Conservative Member and his friends always buy new cars. I am just your average Ottawa lawyer, and I usually buy used cars. The hon. member will have to admit there will be a sales tax of 7 per cent on used cars, although at the present time there is no 13.5 per cent sales tax on used cars.

[*English*]

I want to make the point for my constituents in Ottawa South as well, who I know do not always get the translation on this. Yesterday the Minister of Finance tried to make the point that there is going to be great savings on cars. Well, it may be, because we are dealing with an oligopoly and because we know that the big business community is supportive of this tax, whereas the small business community is grossly opposed to it, entirely opposed to it, that there will be a small reduction in the price of automobiles. That happens to be one of those sectors where it is a very short trip from the manufacturer's level to the retail level.

But as the member should know, the manufacturers' sales tax does not apply to the resale of used cars. The goods and services tax will apply to the sale of used cars. So any benefit in the car market to be gained by the goods and services tax is going to be gained by those fortunate Canadians who are still able to go out and buy a new car. We would all love it. And the bigger car they buy, the more they are going to save. But when those little Canadians, like myself and my friend from Gloucester, go and buy a used Chevy, we are going to have to pay the 7 per cent which we did not have to pay before.

Mr. Waddell: I am tempted to tell the hon. member for Ottawa South that he might consider a bicycle or something like that as he becomes a smaller and smaller little guy or whatever.

He did well to use the example of the music teacher and the details of the tax to show that in fact it is a very complicated tax. That is part of the reason for the great opposition in the country. Certainly amongst the small business community that is one of the main reasons for the opposition.

But I thought he was rather gratuitous in his snide remarks about the NDP. We have been trying to lead opposition to the GST. Rather than being snide about it I

think he should join it, as he has in his speech, and remember who the enemy is.

As I understand the government's line, the Conservative's line is basically that we have had Liberal governments in this country for almost as long as we can remember except for the last five years, and those Liberal governments ran up a horrendous deficit by mismanaging the Canadian economy, by staying in power, by giving lots of grants, by printing money, spending money, and pretty well spending their way into continued power and eventually it caught up with them.

So there is an allegation of mismanagement by the Conservatives, who have done some mismanagement of their own to the economy. They have basically just continued the program. They are saying to the hon. member that the party which he represents has some responsibility for this GST because the government has to raise money to deal with that past deficit. I would ask him to deal with that.

Second, I would ask him to suggest some alternatives. The Liberals are a funny group. They are like mugwumps. A mugwump is someone who sits in the middle of a fence with their mug on one side and their wump on the other and you never know which way they are going to fall. You do not really know what the Liberals stand for. They can articulate an opposition to something like the GST but they do not know what they stand for. My question is, what are your alternatives to the GST?

Let me ask you more specifically: Would you favour getting rid of the $100,000 capital gains exemption, not on houses and on farms but on stock markets and so on? This would save the government $1.5 billion. Would you be prepared to decrease interest rates by 2 per cent which would save the government $3 billion? Would you consider bringing in a corporate minimum tax like the Americans? This would save another $2 billion. Would you consider a wealth tax in which you could really redistribute some income? You could save $1 billion to $2 billion there.

In other words, you could pick up the money that the government is getting through the GST, which is basically a tax on middle-income families. In my riding of Port Moody—Coquitlam taxes on middle-income people earning from $25,000 to $40,000 have been increased by 60 per cent by this government. People earning over $125,000 a year have actually decreased their payment of taxes.

We are clear in the NDP what we stand for. We have proposed all these alternatives. What are the alternatives of the Liberal Party to the GST, or are they going to continue to be mugwumps?

Mr. Manley: Mr. Speaker, I think when the hon. member began he asked me to remember who the enemy was, suggesting that it was not he.

After that long oration I would like to go back to the question of tax reform in general. In fact, I spoke on this on an NDP motion day back in the fall. At that time we debated the issue of tax reform on the basis of their motion. I think I was very clear in stating that I believe that general tax reform was necessary and that the goods and services tax reform was not one that represented a meaningful improvement.

I think that is the message that we tried to deliver in preparing the Liberal minority report from the finance committee on the goods and services tax. What we have before us is a proposal by the government to bring in an alternative to the existing manufacturer's sales tax.

• (1550)

Unfortunately, we are not in an election campaign. I wish we were. If we were I would say that our party, as well my friend's party, should be bringing forward specific alternatives to say what we will do if the people elect us. Unfortunately we are not in an election campaign and therefore what we need to do, as opposition, is to focus the debate in the country on this prime question: Is the government's proposal a measurable improvement over the status quo? That is the debate.

I believe that it is not. I believe the people of Canada agree that it is not. But as soon as we start to debate some other scheme of tax without having a good hearing of what the people of Canada think and what they believe that tax reform should look like, we let the government off the hook. We let them try to beat a straw man over the head, some alternative that my hon. friend and his research department have cooked up or what we have tried to put together with the minimal resources that are available to us.

I believe Canadians need to be heard on the issue of tax reform. I do not believe that this government is interested in listening to them. I think if we form the

government the next time we will listen to them and tax reform will follow the wishes of the people of Canada.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time for comments has expired. Debate. The Hon. Minister of State for Finance.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I am pleased to take part in this debate on the Goods and Services Tax Bill. This debate is all the more important in that it involves the future of the country, one might say. We are indeed faced with a difficult and complex problem today, because our national debt is about $320 billion. For ordinary people, $320 billion is an almost inconceivable amount, almost unreal and unimaginable. Nevertheless, the effects of the national debt are very real and extremely serious.

To give you an idea of the size of this debt, consider the following: the government must spend 35 cents of every dollar in revenue to repay the debt. The government spends twice as much in interest on the debt as it does on senior citizens. The government spends 15 times as much on interest on the debt as it does on family allowances. Everyone will agree that this situation is not only deplorable it is unacceptable.

Even worse, despite all our efforts in the last five years to reduce expenditures, to improve the management of federal programs and services and to increase tax revenues, the national debt continues to grow. Any increase in the national debt inevitably results in higher interest payments on the debt. Well, Mr. Speaker, to use a famous phrase heard in Quebec in the early 1960s: It's got to change! We must end this vicious circle.

Replacing the present manufacturers' sales tax with the GST is an essential part of the government's program to build a stronger economy in an increasingly competitive world. We want to build a Canada that can meet the demands of the 1990s and the next century, a Canada where the quality of life will improve all the time, a Canada that will be better able to protect the environment and to provide advanced health care, satisfactory social security and quality education. But to reach our objectives, we must have a dynamic, competitive economy. I think that we must pursue two main thrusts. First, we must continue to work to eliminate the deficit and growth in the public debt.

Second, we must pursue our efforts to achieve fundamental and consistent economic renewal, so as to give private initiative a free rein and limit government intervention.

During the past years we introduced a policy designed to promote job creation and the kind of investment that brings in new technology.

We have freed key economic sectors like transport and energy from a regulatory nightmare. We have improved patent and copyright legislation so that Canadian investors can obtain fair compensation for their ideas and efforts.

We negotiated a wide-ranging trade agreement with our most important trading partner, to provide our businesses with freer and more secure access to the richest market in the world.

We have played a major role in multilateral trade negotiations under GATT, and we have deployed a strategy for developing trade with the triumvirate formed by the United States, the European Community and the Pacific Rim.

We privatized Crown corporations whose mission no longer responded to the goals of public policy. Most of these corporations have added significantly to the number of jobs in this country and are expanding their operations.

The Canadian Jobs Strategy made it possible to restructure the government's employment programs, with major emphasis on training and preparing Canadians for steady, durable jobs.

We are helping to build the Canada of the twenty-first century. All the measures I have just described will help lay the foundation for durable growth that will generate productive jobs in the future.

The GST is essential to the success of our economic program. It will be a more reliable and more predictable source of revenue and, by stimulating growth, will help reduce the deficit. It will also eliminate the tax on exports, putting Canadian goods on an equal footing with imported goods on our domestic markets.

Implementing our economic program has made it necessary for a number of Canadians to make some adjustments which were not always easy, I agree. It is not

always easy to cope at a time when the economy undergoes profound changes. Our efforts, since 1984, to reduce the deficit were necessary to correct the mistakes of the past.

Since 1984, we have reduced the deficit by nearly $8 billion, from $38.3 billion to $30.5 billion this year. In 1984–85, program spending was about $16 billion more than the government's revenue. This year, thanks to improved expenditure management and increased revenues, budgetary revenue exceeds program spending by about $9 billion.

We will continue our efforts to reduce the deficit. According to the plan the Minister of Finance (Mr. Wilson) tabled last April, 1993–94 will be the last fiscal year in which the government has to borrow new money on the financial market.

The bill before us today faithfully reflects the revised GST we revealed in December.

The 7 per cent rate will help bring in a climate of lower inflation, interest rates and deficits and help stimulate economic growth in the coming years.

However, with the GST at 7 per cent instead of 9, it will bring in nearly $6 billion less each year, money which was needed to reduce the deficit and maintain essential services for our fellow citizens' welfare.

• (1600)

The measures announced by the President of the Treasury Board (Mr. de Cotret) will contribute $700 million a year to financing the lower GST rate.

We also made some changes to income tax provisions.

The lower GST rate enables us to reduce the GST credit and still keep our commitment to protect Canadians of modest means. Families earning up to $30,000 a year will pay less in income and sales taxes thanks to the GST. Three quarters of families headed by an elderly person or a single parent will have more after-tax income with the GST.

The refundable GST credit which will be paid four times a year to 8.7 million families and individuals will protect people on low incomes. The credit will be $190 for adults and $100 for children. Single parents will be able to claim an adult credit for one dependent child. Unmarried adults, including single parents, will be able to claim an additional credit of up to $100 and the first GST credit should be paid in December 1990.

Since the 7 per cent GST is less of a burden on middle-income Canadians, it is no longer necessary, as we had originally thought, to reduce the income tax rate. Even without this income tax reduction, middle-income Canadians will pay less tax.

Mr. Speaker, we also announced that the surtax on high incomes would be increased and that it would be extended to the basic federal tax on $12,500.

We have also asked companies to carry their share of the load. For example, corporate taxes will go up and the annual fees that were to be paid to small businesses to administer the GST have been eliminated. However we want to help small businesses adapt to the new system, so they will be entitled to a one-time credit of up to $1,000.

Sales and excise taxes on alcohol, tobacco and fuel will be readjusted to maintain them at their current level.

With respect to housing, the GST will apply only to new houses. The GST housing rebate has been readjusted to take the lower rate into account and will enable the government to honour its commitment to give Canadians ready access to houses at affordable prices.

Mr. Speaker, I do not know anybody who likes taxes. The introduction of a new tax is never popular even if the new levy replaces so ridiculous and destructive a tax as the current manaufacturer's federal sales tax.

Of course this initiative is not aimed at pollsters.

Its purpose is to make Canadians more prosperous and the tax system more equitable. It will eventually rid Canadians of the ever heavier public debt burden and put Canadian companies on the same footing as their competitors in this country and abroad.

Mr. Speaker, now more than ever before is the time to take action.

A modern country such as ours whose economic growth depends on international trade cannot afford the luxury of maintaining a tax system designed for the conditions and circumstances which prevailed in the 1920s. On the eve of the 21st century, how can we possibly hope to stay competitive with a regressive and harmful 66-year-old sales tax!

Look around you, you can always find people in favour of the status quo. Either they fail to understand, or they are not unduly concerned over the national deficit and the problems related to the current federal sales tax.

Others will concede that the GST should indeed be adopted, provided some major changes are made to our project. The problem we are faced with stems from the fact that there is no consensus on the changes to be made, each interest group having its own homemade solution to propose.

The Official Opposition was satisfied with playing hide and seek with Canadian taxpayers over this issue. Its representatives have stated that they are unconditionally against the GST project, without suggesting any acceptable alternative. In existential terms, we find ourselves on this issue in what I would call the Liberal void.

The New Democratic Party, on the other hand, has proposed several measures, including the possibility of setting up a Royal Commission of Inquiry. What an original and radical solution, Mr. Speaker!

As you know, people have been looking into the problems associated with the manufacturers' sales tax for the past 50 years, but the NDP would like them to continue for several more years. Also, the NDP proposes to reduce by 33 per cent the manufacturers' sales tax. Yet, it makes no effort to explain how we are going to replace these millions of dollars, except by increasing corporate and individual income tax. The NDP proposes a minimum tax of 20 per cent on corporate profits. According to its estimates, this would bring in $5.4 billion, based on the total benefits of $27 billion reported by the corporations over the reference year. Simple, is it not? But look out! These $27 billion in alleged profits are misleading data. This figure is the total of a double accounting resulting in an inflated base for a minimum tax. This figure includes a substantial amount made up of already imposed inter-corporate dividends.

Moreover, this figure reflects in part the incidence of accelerated depreciation which, to a large extent, is being eliminated as a result of the tax reforms adopted in 1988. Finally, a significant part of this figure is related to various incentives for research and development, as well as regional development, measures which the three parties, including the NDP, consider important for the future of Canada.

These figures apply to the tax year 1987 and do not take into account the fact that the tax reform on large corporations has already increased corporate taxes by $2 billion. Moreover, the Minister of Finance (Mr. Wilson) announced in December a new increase in tax on large corporations.

In this respect, Mr. Speaker, it must be kept in mind that only 3,500 large corporations are subject to the large corporation tax. When the NDP referred to tens of thousands of profitable businesses that do not pay tax, the large majority are small businesses. Small businesses would be the hardest hit by the 20 per cent minimum income tax proposed by the NDP. Do the NDP propose that the government add an extra 20 per cent to the 12 per cent income tax already paid by small businesses? That party claim they support small businesses. They are strange bedfellows Mr. Speaker! The NDP claim they are the small businessmen's friends. What is an odd kind of friendship, Mr. Speaker! As they say in English with friends like the NDP, who needs enemies?

That kind of proposal, Mr. Speaker, brings nothing but serious trouble for the Canadian economy, especially for our regions, quite apart from its negative impact on small businesses.

After 50 years of studies and discussions on the federal sales tax, after two and a half years of review and debate on the concept and the details of the GST, after months of hearings and discussions in committee and a detailed committee report, the time has now come to proceed with our sales tax reform proposal.

In conclusion, Mr. Speaker, the bill now before us is the result of a long process of reflection and consultations with every walk of life and every region in the country. This proposal is essential if we are to have a healthy Canadian finance, a strong and growing economy, a fairer tax system.

For those reasons, Mr. Speaker, I am proud to support this legislation because it is one guarantee of a prosperous and dynamic future for every Canadian man and woman.

• (1610)

[*English*]

Mr. Taylor: Mr. Speaker, I note that the motion on the floor right now is for a six-month hoist which has been put forward by the Liberal party. Although the minister spoke strongly in favour of the goods and services tax, he did not really address the matter of postponing the introduction of the tax or the implementation of debate on the goods and services tax for six months.

I am wondering if the minister is aware of this. I know that ministers are often busy and do not have a chance to read the newspapers as regularly as some of those without as much responsibility. He may be aware that a Liberal leadership race is on in the country and that there is a considerable amount of assistance in moving this legislation through the House by the Liberal Party. Yet the Liberal Party continues to express a considerable amount of verbal opposition to the goods and services tax.

With that said, may I ask the minister if he thinks the Liberals may have proposed this motion for a six-month hoist at this time because they are looking forward to the conclusion of the leadership race after which, under a new leader, they can change their minds and support the goods and services tax?

Mr. Loiselle: Like all ministers, of course, I never read the newspapers. I say that as a former newspaper reporter. I know that one edition frequently erases the previous day's edition. I do not take it as seriously as some of my colleagues.

I am also aware that there is a Liberal leadership convention to be held. It is a very good democratic exercise. I follow it with care because I think it is important for the opposition to organize itself. So far it has not proven to be very well organized.

In its opposition to the GST in particular, I have heard a lot of—I would not say nonsense because I suppose the word would not be welcome—views put forward even today which are far from the reality of anything we have in mind or anything we are doing.

I refer to the elderly and tourism. I am more convinced than ever that a major effort to provide information is required. We have a responsibility to provide that information. We will, of course, make every effort so that our friends across the floor will understand what we are doing.

It is a modern tax. What they call a tax grab is something that 48 countries have implemented as a mechanism to address government revenue. So it must not be so out of this world. Yet, on every aspect of it, we hear opposition.

We have had a white paper, technical documents and debate. We will have more debate. We will discuss this at length with our friends in the House and we will go ahead with it. The GST is needed. We must make sure that the present manufacturers' sales tax, the greatest disaster as far as fiscal framework is concerned, is removed so that our industries can develop, so that jobs can be created and so that we can compete in this very difficult world.

Mr. Young (Gloucester): Mr. Speaker, I listened with interest to the comments of the minister on the goods and services tax. I am surprised at the suggestion that maybe the opposition is not well organized in terms of how we are dealing with the GST.

I would suspect that the minister would be impressed by the fact that after dropping the rate from 9 per cent to 7 per cent opposition in the country has increased. I think what the minister fails to understand is that the people of Canada are leading the fight against the GST.

It is all well and good for politicians on all sides of the House to have their views. They perhaps may not share all the same views. But the Canadian people have decided that they are opposed to the goods and services tax.

I would like to ask the minister if he is satisfied that the government is well organized in putting forward its tax reform dealing with the GST and the supposed reform of the income tax side of the equation. We were supposed to see the disappearance of the surtax on income tax. We were going to see a reduction in the rate for middle-income earners.

Is the minister as pleased with the over-all effort that has gone into the GST as he is with his reform of financial institutions?

One has to be very careful about suggesting that the opposition is not getting its act together in terms of proposing alternatives when the minister in his own responsibilities is sitting back while the institutions involved in the financial sector in this country are hanging by their very nails. They are grasping for some legislation, something that has been promised for at least

a year or a year and a half. I want to hear from the minister about getting acts together.

Mr. Loiselle: Mr. Speaker, the hon. gentleman has covered a lot of ground in a very little time. I quite see his point.

As far as financial institutions are concerned, I will not go into that. I am still committed to introducing such legislation. I must tell him that we have already moved in many areas, areas such as the securities area and so on and so forth. This is where we are way ahead of other countries. I would not say that all of the institutions are waiting and hanging on by their nails. That would be far too strong. I know that they are anxious to get our legislation, and they will get it. I hope to be able to table it shortly.

As far as the Canadian people are concerned, I, like the hon. gentlemen in this House, am frequently in touch with the population. That is why we are in politics. I meet them frequently. Obviously, in my capacity as Minister of State for Finance I deal with the GST all over Canada but particularly in Quebec. I have met dozens and dozens of groups which at the outset, after having listened to the messages that come from the other side of this House, have a very negative approach.

In any case, a tax is never popular. Tax reform is never very popular. Everybody sees the government putting its hand deeper and deeper into your pocket.

When you speak with them and calmly explain to them why you are doing it, my conclusion is that they understand very well. Of course it would take a long time to go around meeting small groups of 75, 100 or 200 people, so you need to use a better means of stating what you are going to do. Very often the opposition is based on false information.

I am confident that gradually, slowly, the over-all situation is changing. I will not say that it is a popular subject. I personally share the view that taxes are not necessarily a pleasant thing to discuss.

As far as getting our act together, we know what we would like to do ideally. I think we have taken very strong measures over the years, and we are taking one now. Nobody will suspect that we are doing this for electoral reasons. We are doing it because we are deeply convinced that it is good for the country. Nobody would claim that we would do it if we were convinced that it would, as members of the opposition say, throw our economy into a turmoil. How can we at the same time gouge everybody, make a lot of money and then throw the economy into a turmoil?

We are convinced that this is a very good way of proceeding. It is very good reform. It is good for the economy. It will create jobs. It is a modern way of arranging our affairs so that we can free the forces of our industry which are there waiting to prosper.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Riis: Point of order.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member on a point of order after I announce the proceedings on the adjournment motion.

[*Translation*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Thunder Bay—Atikokan (Mr. Angus)—VIA Rail; the hon. member for Ottawa South (Mr. Manley)—Social programs; the hon. member for London East (Mr. Fontana)—Proposed goods and services tax.

• (1620)

[*English*]

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend, the minister, who is I must say a very experienced politician and parliamentarian. He had some very interesting comments to make. I enjoyed his speech.

I know that we cannot refer to the absence of members in the House, but I would think that there would be more members of his own party interested in what he had to say. I was going to call quorum, but I think that since there is now just a bare quorum I will not do that.

On a second point of order, the minister referred on a number of occasions to documents from which he quoted. I wonder if he would be interested and prepared

to table those documents that he referred to during his intervention.

Mr. Loiselle: Mr. Speaker, I must admit that I do not know which document the hon. member is referring to.

The Acting Speaker (Mr. Paproski): There does not seem to be any documents.

The hon. member for Sudbury has the floor on debate.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, I speak today against Bill C-62 which is an act to implement the goods and services tax.

The hon. member who just spoke, the hon. Minister of State for Finance, used the term "reality". Yesterday in his speech the hon. Minister of Finance said that this tax was based on a vision, and I quote: "—a vision deeply rooted in reality". I say to you that the assumptions which the government uses for its projections are not based on the economic realities of day-to-day life in Canada.

The Government of Canada has based its arguments concerning the GST on certain assumptions. The first assumption is that the Governor of the Bank of Canada will not raise interest rates when faced with the inflation that will be caused by the application of this tax. Even the members on the government side agree that there is going to be inflation with the introduction of this tax.

We all know that the Governor of the Bank of Canada hates inflation and is purposely, right now, keeping the interest rates high to battle that inflation. When the GST is imposed there will of course be a dramatic rise in inflation. What do you think the Governor of the Bank of Canada will do? All indications are that he will raise the interest rates. That is reality.

The second premise is that workers in Canada will not ask for wage increases because of the advent of this tax. I do not know where the hon. Minister of Finance and his workers live, but I know one thing. It is an automatic response of people who wish to keep up with the cost of living. Not only is it an automatic response, it is a necessity. Of course every employee in Canada will try to keep up with the cost of living and will ask for a raise. That is reality.

The third premise that is used with the projections is that all manufacturers will remove the 13.5 per cent manufacturers' sales tax from their prices, this same manufacturers' sales tax which is buried in their prices right now.

The government puts great trust in the theory of free market economics and competition, believing that firms will be forced to pass their savings on to consumers in order to keep their prices competitive against the price of competitors who use the opportunity to lower prices. This may occur in those markets which are perfectly competitive, but reality shows us that most markets here in Canada are not perfectly competitive.

Indeed, many representations were made to the finance committee to the effect that that would not be the case. Mr. Mezon of the Automotive Industries Association told the committee in October of 1989:

> —it is going to be very difficult for most manufacturers to pass that along. It is an opportunity to pick up some profits and that is exactly what is going to happen—I think most manufacturers will look at it as a windfall, and that will add to the inflationary effect.

The Montreal Board of Trade also told the finance committee in October 1989 that faced with rising costs due to the sudden increase in inflation, firms would choose not to pass along savings to consumers. That was taken from an article printed in *The Gazette* of Montreal.

Indeed, past experience in Canada indicates that the inflation rate of the price of manufactured goods and all items increased after the manufacturers' sales tax was reduced by 3 per cent in 1978. This would suggest that consumers did not receive all of the savings.

Consumers will be left unprotected,. Canadians have absolutely no assurances that they will not be overcharged when they purchase a good after the application of the GST.

They tell us that they are going to set up a mechanism as sort of a watchdog. However, this watchdog will have absolutely no powers to stop gouging. All they can do is report. What use is it six months down the line to find out that you were overcharged? We want to make sure that we are not.

Not only will prices remain high and not decrease in the fashion predicted by the Conservative government, but the 7 per cent will cause an increase in the final price to the consumer. That is reality.

The other reality which this government seems to forget is that this country is a vast and very different country. It has many regional areas that are cut off from the major centres. There are great distances that one must travel. One must transport goods. The GST gives absolutely no notice to these distances or these regional differences.

Take the fact that the GST will apply to the cost of heating your home. Cold is a reality in this country. The GST will cause a significant increase in the heating bills of Canadians. It impacts far more severely on those Canadians who live in the north or on Canadians who live in some of the Atlantic provinces where the cost of transporting fuels adds greatly to the cost of heating homes.

I have before me a Statistics Canada report. It is a family expenditure survey of selected cities. This was done in 1984.

This survey states that in 1984 the cost of heating the home of the average Canadian family in St. John's, Newfoundland in one year was $1,522. That was in 1984. Realize that this is 1990 and it is much more expensive today than it was then. These are the figures and the year that I have for them.

It costs the same average household in Ottawa or Toronto approximately $825 to heat their home in 1984.

If you take 7 per cent and add it to that cost of heating the home for one year in 1984, for the people who live in St. John's, Newfoundland it means an additional cost of $107. For the people who live in Toronto and Ottawa it means an additional cost of $58.

You can see the impact of this tax. It is far greater for those areas such as St. John's, Newfoundland—and we have not even touched on areas like Yellowknife, Whitehorse and Iqaliut. Those people spend three and four times what we do to heat their homes. That is reality. No one has taken that into consideration. What is that going to do to families in those areas?

• (1630)

The tax does not take into consideration the kinds of discrepancies which occur normally in this vast land of ours. Is there not a method, some kind of mechanism to equalize the burden across these regions of our land?

Is the government forgetting the outlying regions of our country? Home heating in a country such as ours is a necessity. It is as much a necessity as basic groceries, and yet this government has zero rated groceries. Is there not some way that this government could consider zero rating the heating fuel which is so necessary to each and every one of us?

Another consideration is the imposition of the GST on transportation costs. That will hurt every outlying region, every region that is removed from the major centres. It will hurt progressively; it will hurt more as one moves away from the centres. Those who are the farthest will be hurt the most.

Distance is a reality in this country. Size and geography have always made transportation of goods and people a challenge for Canadians and therefore is a major consideration in the economy of our nation.

Transportation is a lifeline for outlying regions. These outlying regions must ship products and raw materials to markets in the populated areas and receive supplies and manufactured goods from the same populated areas. The cost of living in outlying regions is higher than the cost of living in major population centres because of the need for transportation of food and manufactured goods.

The people in Sudbury understand what the cost of transportation means. The people of Canada understand what the cost of transportation means. According to the Atlantic Provinces Transportation Commission, the imposition of the GST is contrary to one of the sections of the national transportation policy. It appears as if this government has totally overlooked the kinds of policies that are already in place. Perhaps the government should go back and check the national transportation policies and find out whether this particular GST conforms to the policies of this government.

The proportionately higher transportation costs in regions located farther from the major markets and sources of supplies will mean that goods manufactured in these regions will be less attractive because of the higher costs involved in shipping a product from a remote area to the market centre than the cost of purchasing a

product manufactured within the major market centre. What that means to regional development is a terrible blow. How can we expect industries to locate in these regions if we are now going to add a transportation cost tax which will make their goods less competitive?

Some will say to me that they can bring in their transportation tax and get a refund on the input and so on. What it happens, though, is that additional cost of transportation gets added on to the final price of the good and the good is more expensive because it must be taxed at full retail value. Not only is the good taxed at retail value in this case, but nine out of the ten provinces will turn around and tax it with a sales tax.

I really wonder what is happening. Are people from this government forgetting that there are many regions in this country in desperate need of regional diversification? The Atlantic provinces are having some problems. Northern Ontario has a number of mines closing down. How does the government expect these regions to come through if every time they turn around they are being hit by an additional tax?

The GST, as far as the people of Sudbury are concerned, and I am sure the people of the other regions of the country agree, will become a tax on distance. That is reality.

We have talked a little about simplicity. The government had said that this tax would be simple. I have news for this government. When flying to Ottawa the other day I looked at a magazine on the plane and saw an advertisement. The ads are already starting to appear in which a major accounting firm is saying: "Come on in so we can help you plan for the complexity of the new sales tax that is going to be put into place".

Everyone else understands the complexity and the difficulty that people will have in adhering to this tax. Why can't this government understand it? It is certainly clear to everybody else. How can it be more simple when we are going to have a tax and then another tax.

The government says that it is going to be visible. If there is a little sign somewhere in a store that says "the price includes the goods and services tax", is that visible? You are really going to know a lot about the tax! Ask the small business people in your communities what that will do.

I walked into a men's clothing store not long ago and the people there were appalled at the amount of extra work that it would cause them. This store is not computerized. It is just a normal store and people do not buy computers for a normal store. The work is done by hand.

These people are going to have to add the goods and services tax to the price, and then they will still have the sales tax to deal with. The owner of the store said to me: "What happens, Diane, when people have less money? The first thing they stop buying is suits and then I stop making money. Then I have problems and I have to start laying off some of my people because I cannot keep them employed", and so the story goes on. That is the reality of what is going to happen with this goods and services tax. The tax will impose further hardship on low income Canadians. There is no getting away from that. When you do not have any money and you have to pay more, it is bad.

Government members are trying to lull Canadians into believing what a bunch of good guys they are: "We are going to give you a tax credit". What they are forgetting to tell Canadians is that they are not fully indexing this tax credit. Therefore, after five years, many of the 500,000 Canadians who did receive the tax credit will no longer qualify, and those who do will have a much reduced amount of benefit.

I will state one thing: when the government brings in this new law in regard to RRSPs, it is planning to index fully the amount of money that rich people can invest in RRSPs. Therefore the government understands the reality of fully and partially indexing. If that reality is understood, perhaps the government would consider changing that portion and fully indexing the credit to low income Canadians.

I ask this government to scrap this bill, go back to the drawing board and come up with a whole new plan. The government's assumptions are flawed. The people of Sudbury and indeed the people of Canada ask the government to get in touch with reality, the realities of this country, and come up with something that will help the people of this country.

Mr. Taylor: Mr. Speaker, it gives me a bit of pleasure to be able to stand and ask the member a question. I was quite taken with the speech that she made opposing the goods and services tax. I am certainly very appreciative of

any words that are spoken in this Chamber, particularly for the government's benefit, when they are spoken against the goods and services tax.

The New Democratic Party has stated quite clearly that we as a party are opposed to this tax. We understand that Canadians are opposed to this tax. The polls are very clear on this point. Canadians are also opposed to the damage that this tax is going to do to our economy in the long term, which is something that this government has failed to address.

We in the New Democratic Party have informed the members of this House and Canadians from coast to coast that we are not going to co-operate with this government in any way to help it, using its majority in this House, to implement this horrible and regressive tax without concern or regard for the well-being of our country.

My question to the hon. member who just spoke is essentially to do with that matter of co-operating with the government to ensure that this goods and services tax somehow gets implemented. Canadians are frustrated. They want members of Parliament to be able to stop this tax. They do not trust this government any longer, and they want this tax stopped at all costs.

• (1640)

Could the hon. member tell me why is it that the Liberal Party objects to what might be the only way to stall the implementation of this tax until the Tories across the way start listening to Canadians? Why is it that the hon. member does not join in this fight to stop this tax instead of helping the government get its way and get this tax implemented sooner than Canadians would want, if at all?

Mrs. Marleau: It is very obvious that the hon. member to my left has been reading the polls and it does my heart good. They have been reading the polls where they have dropped 5 per cent. We are way up there and they realize that we are the enemy. I really thank him for giving us all of the credit. I love it. Keep up the good work.

As far as we are concerned, we are opposed to this tax, but we are very prepared to have good, constructive debate. We want to tell the people of Canada just how bad this tax is. We do not want to play little games so that we do not get a chance to make our speeches and inform Canadians of what we really feel.

All members to my left want to do is delay and delay, and we know what will happen. After a certain number of hours the government will call the vote and bring in closure, and we will not have had a chance to give the Conservatives a run for their money. It is important that the people of Canada have us stand up for them and put forward very reasonable, rational arguments for the government not going forward with this goods and service tax.

Mr. Simmons: Mr. Speaker, I want to congratulate my colleague and friend from Sudbury, not only for laying out so well and so articulately our position against the goods and services tax, a speech by the way that she should mail to every Canadian who did not have the good fortune to be watching when she was speaking today—

Mr. Rodriguez: Save the taxpayers' money.

Mr. Simmons: And still NDPers mumble. They are frustrated, Mr. Speaker, and I come to my second point.

Mr. Epp: What was the first one?

Mr. Simmons: My first one, and I challenge anybody over on my left to disagree, is that the member for Sudbury has just put very forthrightly the case against the goods and services tax. Her speech was much better than any tantrums, any bell ringing or any stomping out of here can ever achieve.

Mr. Epp: We will keep you to those words.

Mr. Simmons: Second, I say to the gentleman from Provencher who was party to that despicable 15-day bell ringing some years ago that he too could take a lesson from what the member for Sudbury said in her response to the gentleman in the NDP.

We in this party intend to oppose vociferously at every turn this goods and services tax. I am with her 100 per cent on the tactic that she advocates and we are following. We are going to do it by standing here in this Chamber, until that crowd over there cuts us off, telling the story of why we are against the goods and services tax.

If his question to her and to us is: "are we going to throw childish tantrums" the answer is no. I rise to compliment my friend for saying that and saying it so

well, we will keep up the fight. We will not throw childish tantrums.

Perhaps the member would like to comment on my comment.

The Acting Speaker (Mr. Paproski): Maybe she would. The hon. member for Sudbury.

Mrs. Marleau: I certainly would because I feel that the government members have to face reality.

I do not know what kind of lives they have had before, but I can tell them about my past experiences. I was raised by a single mother. I know what she went through to make sure that I had clothing and shoes. I also know what will happen now when a single mother goes to buy a snowsuit or a pair of shoes for her children. She will have to pay more because of this tax. Even more so—and I know because I was born and raised in the town of Kirkland Lake which is far from major centres—we paid more for goods. They still pay more for goods because they are away from a major centre.

I have lived in Sudbury for the last 27 years of my life. We have lived through some ups and downs. When it comes to regional development, we care very deeply about what happens. We care because transportation is key to our regional development. We do not want to see a tax on transportation because we understand that it will make life more difficult for us.

We also know that it costs a lot of money to heat our homes because it is cold in Sudbury. People in Sudbury understand that kind of thing. Perhaps hon. members on the other side of the House should come and visit. Perhaps they should go a little farther north to Kirkland Lake, Moosonee, or Iqualuit and find out what it is really like to be cold, and then return and tell those people that they are going to love this tax, that it is so good for them. Come on, get your head out of the sand. Go on a tour and find out what people really think about your tax.

Mr. Rodriguez: Mr. Speaker, I listened to the speech of the hon. member for Sudbury. It was all very negative. It all outlines what the Liberals are against. All I have been hearing from the Liberals is how terrible the GST is.

A party like the Liberal Party owes it to Canadians to tell them exactly what they propose to put in place of the unfair manufacturers' sales tax. We agree that the manufacturers' sales tax is unfair and discriminates against Canadian exports. We have no problem with that.

In order to fulfil our responsibility and always to give options to Canadians we tabled a minority report. It is not a question of hooking the government. It is a question of laying before the people of Canada an alternative if we are opposed to it: why we are opposed to it and what we propose to put in its place. This is what we have done on this side of the House.

All I hear from the Liberals is the same nonsense I heard from Pierre Trudeau when he argued against Robert Stanfield's wage and price controls, until he got into office and then he put them into place. I say to Canadians: "Beware of members of the Liberal Party. They are wolves in sheep's clothing".

Mrs. Marleau: Mr. Speaker, the hon. member to my left has obviously stepped into the trap and is prepared to debate his alternatives rather than keep that particular government, the Conservative government, on its toes defending what it proposes. I intend to keep after the government until the next election.

Mr. René Soetens (Ontario): Mr. Speaker, I rise today and am pleased to join in this debate on the goods and services tax.

A headline in *The Toronto Star* of November 30 probably outlined very well some of the concerns I have heard expressed today and on previous occasions. This is from *The Toronto Star*, a well-known newspaper that is known for its support of many good Tory policies. It states: "A lot of nonsense is being spouted against the goods and services tax".

I have listened to the debate, not just here but in the finance committee of which I am a member. I must concur that sometimes *The Toronto Star* states its view very eloquently on the issue and did so very well on that particular instance.

The reason I start out with that particular point of view is that one of the problems the government is having in trying to convince Canadians of the value of the goods and services tax is the misinformation that is being disseminated. Maybe it is not purposely, but somehow it does get out.

• (1650)

For example, *One Voice*, the Canadian seniors network, sent an article out to its members which it kindly provided me a copy of. On page 9 it lists some things that might be taxable under the GST legislation. It lists water. It lists the telephone bill but does not talk about the

removal of the telephone or communications tax. It lists transportation but does not talk about the input tax credits on fuel costs. It lists insurance and a whole series of other things, many of which are not taxed at all. It is no wonder that Canadians are somewhat confused when they get information of that nature.

A communiqué released on January 22 by the New Brunswick Senior Citizens Federation states: "Axe the tax Boycott G.S.T." On page 4 its lists some of the things that are taxable. Under utilities, it talks about water.

The legislation is very clear. Water is not taxable. It also talks about music lessons. Very clearly, music lessons are not affected. It talks about insurance. Very clearly, insurance is not taxed. It talks about the price of a $10,000 car but does not mention at all that with the removal of the existing federal sales tax that $10,000 car will cost less. It simply adds the GST to the existing $10,000 price.

With erroneous information like this being disseminated across Canada, I do not wonder that a lot of Canadians are opposed to it. If I received information like that from people I trusted I would be upset too. Now I know that they are wrong and I hope that Canadians who are listening will in fact get the correct information.

Not all Canadians are spouting negatives. There are some who are very positive. I have here a September editorial from *Business News* which was distributed in the Oshawa area that has been traditionally known as NDP country. It states:

> Go for it, Mike.
>
> And if there must an increase, then a sales tax seems as fair a way to implement it as any. All the necessities will not be taxed—food, rent, day care and health services will all escape the tax—so those who are just getting by will not be affected much, if at all. Instead, it would appear, those who consume the most will pay the most. Isn't that the ideal for taxation—

This is from an editorial in a newspaper distributed in Oshawa.

I might add that recently I spoke to the Oshawa Chamber of Commerce. Oshawa is not my particular riding. It is a vacant riding at the moment in that it is not represented by a member of Parliament. At the Oshawa Chamber of Commerce where I spoke there was a poll taken of all the members who were present. I did not choose the members. I know that many of them came to oppose the very thought of my speaking on the goods and services tax, yet 43 per cent of them were in favour. My caution to the NDP and their colleagues is that pretty soon there is going to be a by-election. We will take 43 per cent in Oshawa any time, thank you very much.

Having said that, I would like to get on to the issue of the federal sales tax. We seem to be ignoring the whole concept of the fact that the federal sales tax is there and that it is being eliminated. Many of the speakers we have heard in the House of Commons, particularly in the Opposition, talked about the impact of the GST and totally forgot about the elimination of the existing federal sales tax.

Let me tell the House what some people who appeared before the finance committee have said. Many of these presentations would not necessarily be talked about in public, at least not by the Opposition.

For example, when the Metropolitan Montreal Chamber of Commerce appeared before us on October 11, it very clearly said, and I quote: "We would first like to reiterate that we support the elimination of the present federal sales tax which is probably one of the worst taxes in the world. It promotes imports and impedes exports."

One has to acknowledge that the National Chamber of Commerce appeared in front of our finance committee hearings and said something somewhat different. As we travelled across Canada, whether in Vancouver, Edmonton or Manitoba, as we travelled west and went down east, it is noteworthy to recognize that individual chambers made the point very clearly. They agreed with the elimination of the federal sales tax. They also agreed with the implementation of a value added type tax like the goods and services tax.

So that you do not think we only had business speak to us in favour of the elimination of the federal sales tax, Mr. Speaker, we also had some friends of the NDP appear before us. In fact, on October 10 the National Director of the United Steelworkers of America appeared before us. Here is one of his comments which I will quote verbatim: "We support the elimination of the manufacturers' sales tax. In a country whose manufacturing economy is under constant pressure, it makes no sense to have a tax system that biases the internal economy in favour of service providers. And, in an economy as heavily dependent on trade as Canada is, it

makes no sense to impose what amounts to a tax on exports or manufactured goods."

That is what we have been saying on the Conservative side. That is what the finance minister has been saying. I find it rather disturbing that here is a major industrial sector across Canada, literally in every province, represented by a very large international union saying: "Get rid of the federal sales tax" but I have not heard a word, not a peep, from the NDP about the fact that one of their supporters is in favour of the elimination of that tax.

There are a whole series of other reasons why we should eliminate the tax. So far I have addressed comments from people who are not predominantly present in my riding. I do not think that the message of the diversity of people across Canada who agree with what we are doing is getting out. For example, we had appear before us Mr. Allen Hills of the Canadian Federation of Farm Equipment Dealers who stated: "A tax system that involves exceptions and exemptions, based on government definitions of who is and who is not, will quickly degenerate to the same situation we have today as we try to administer the current federal sales tax mess. That is part of the reason I say the current system is a mess or a nightmare."

He goes on rather extensively describing the problems of the existing federal sales tax. He also says that the worst thing we could do with the new goods and services tax is implement as many exemptions as presently exist under the federal sales tax.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I have been listening to the hon. member go through his speech. He mentioned the National Director of the United Steelworkers and read statements from Mr. Docquier with respect to the manufacturers' sales tax.

I thought maybe I had not got it right so I went to check on this matter. Mr. Docquier agrees with us that in fact the manufacturers' sales tax is unfair. He did not read into the record the conclusion of Mr. Docquier which is that he does not agree with this regressive, mish-mash tax that the government has put forward. Why did the member only quote part of the presenter's statement? Why not state the whole story, that he does not agree with what the government has proposed? That is why we have proposed alternatives.

The Acting Speaker (Mr. Paproski): The hon. member will have 10 minutes left plus 10 minutes questions and comments the next time the bill comes up.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-4, an Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof; Bill C-12, an Act respecting Museums; Bill C-13, an Act to authorize the divestiture of Nordion International and Theratronics International Limited; and Bill C-31, an Act to amend the Governor General's Act.

Also, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-11, an Act to restructure the Eastern Canadian Synod of the Lutheran Church in America under the name of Eastern Synod of the Evangelical Lutheran Church in Canada to which the concurrence of this House is desired.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall

Ottawa

January 30, 1990

Sir,

I have the honour to inform you that the Honourable John Sopinka, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 30th day of January, 1990, at 5 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Jean M. Sévigny
Deputy Secretary, Operations

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

SALVATION ARMY ACT, 1989

MEASURE TO ENACT

Mr. John E. Cole (York—Simcoe) moved that Bill S–9, an Act to amalgamate the two corporations known, respectively, as The Governing Council of The Salvation Army, Canada East and The Governing Council of The Salvation Army, Canada West, and to make necessary provisions regarding the charter of the amalgamated corporation, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I rise today to sponsor the Private Member's Bill S–9, which will amalgamate the two governing councils of the Salvation Army, Canada East and Canada West, in order to streamline their corporate operation. At the present time there are two separate corporations, each administering the property, business and other affairs of the Salvation Army in Canada.

The original governing council of the Salvation Army in Canada was incorporated in 1909. In 1916, the governing council was separated into an eastern and western corporation. At that time it was appropriate for separate corporations because transportation and communication was not as simple or as convenient as it is today.

They have now reached a point where the sophisticated advances in telecommunications and the improvements in transportation make the administration of two corporations unnecessary. The most efficient and convenient way to administer the affairs of the Army is from one central point. Currently, Winnipeg is the home of the Canada West governing council or the legal head office of the Army, while the affairs of both governing councils are administered from the head offices in Toronto.

The proposed legislation would amalgamate the two corporations in the same manner as that provided for in the case of corporations incorporated under general corporate legislation by amalgamating them and continuing them as one corporation. Actually, the legislation will simply give what is a reality now a legal entity.

Currently each corporation has five designated officers of the Army as its members, who are the same people in each case. The only identifiable difference between the corporations is their geographical location. The process of amalgamating the two corporations will be relatively simple, given that no new corporation will be formed. There is no transfer of property and the corporations are identical in nature.

In order to ensure their ongoing governance, Bill S–9, provides that the original act of 1909 and the act of 1916, which applied to the governing council of the Salvation Army, Canada East, as well as the by–laws of the governing council of the Salvation Army Canada East will apply to the corporation once amalgamated. The separate statute which incorporated the governing council of the Salvation Army, Canada West, will be rescinded.

As the law requires, notice of the intention by way of a Private Members' bill in Parliament to seek this one continuing corporation has been published in *The Canada Gazette* and in the appropriate provincial gazettes. It has also been published in two national newspapers, one in each official language.

This bill, therefore, seeks to give legal substance to something that has been an operational fact for some time. I would like to stress the importance of the support of members in this House for the bill. In doing so I would like to take a few minutes to speak about the Salvation Army and what it means to our Canadian community.

I have always marvelled at the selflessness of these men and women of the Salvation Army whose entire careers are devoted to making life more liveable for others. They seek not glory nor attention. Theirs is a hands–on ministry. They minister directly to those in need and they minister to the needs of the whole person.

What exactly is this movement; a church, a denomination, a charitable enterprise, a social service agency with paramilitary structure? It is all of them and it is none of

them. It is, as Arthur Meighen once described it, "a vital, spiritual force with an acute social conscience".

In this day and age of super sophistication and cynicism, it is good to find that there are still those whose real reason for being is to help their struggling neighbour.

The Army has changed quite significantly in its 107-year existence in Canada, as it has elsewhere. Yesterday's Army was small, struggling and evangelical. Today's Army is something quite different, but the zeal has diminished not one iota. The desire and determination to make a difference for the better are as alive as ever.

But the Army today is apolitical and conservative in nature. It takes no sides, endorses no candidates and refrains from attacks on the status quo. Nevertheless, governments at every level are pleased to be able to work closely with the Army on social work projects that benefit every segment of society. They realize the efficiency and effectiveness of this operation and they appreciate the devotion, determination and commonsense of the Army.

These are not social scientists with grand schemes to solve all the problems of mankind. These are not social workers with files and programs to minister to people's needs. These are not specialists who will only look to one area of hurt. These are the practitioners of a holistic medicine of the soul. They seek to help the whole man; body, mind and spirit. They are down-to-earth, well trained men and women who lead exemplary lives themselves. They prefer to deal directly with human suffering, treating each case individually and tailoring the help to the problem at hand.

Little do they care if a particular problems fits into a special category for which there is a prescribed program. They are not big on sending those in need to a variety of offices to fill in a multiplicity of forms. They, in fact, live the great commandment, to love God and to love thy neighbour.

I strongly believe, Mr. Speaker, that we as parliamentarians can do a small service to this very worthy group of people by passing this bill, a bill that simply helps streamline their corporate administration so they can continue to devote their time to helping others.

THE ROYAL ASSENT

[*English*]

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

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

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

• (1720)

And being returned:

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

Bill C-3, An Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act and to make consequential amendments to other Acts—Chapter No. 1

Bill C-4, An Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof—Chapter No. 2

Bill C-12, an Act respecting museums—Chapter No. 3

Bill C-13, An Act to authorize the divestiture of Nordion International Inc. and Theratronics International Limited.—Chapter No. 4

Bill C-31, an Act to Amend the Governor General's Act—Chapter No. 5

PRIVATE MEMBERS' BUSINESS

[*English*]

SALVATION ARMY ACT, 1989

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Cole that Bill S-9, an Act to amalgamate the two corporations known, respectively, as "The Governing Council of The Salvation Army, Canada East" and "The Governing Council of The Salvation Army, Canada West", and to make necessary provisions regarding the charter of the amalgamated corporation, be read the second time and referred to a legislative committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am rising to support the passage of the bill that the hon. member for York—Simcoe has proposed to the House. I want to say first how thankful Canadians are for the excellent work carried on by the Salvation Army across our country.

Indeed, I am pleased to say that during the break that we had over Christmas when Parliament was not sitting I had the opportunity to tour some of the facilities of the Salvation Army in Kingston, including the Harbour Light facility in particular and the new citadel that had been built at the north end of the city, to see what excellent work is being conducted by the Salvation Army in my community. I know the work that that body does is multiplied across Canada in hundreds of Canadian centres where the excellent social work and work for assistance with people in need is carried out on a daily basis by the Salvation Army.

I am pleased that we in this House have an opportunity to record our appreciation and the appreciation indeed of millions of Canadians for the work that is carried out on an annual basis by this group and to pass a bill that deals with changes they desire in our corporate structure.

I have read the proceedings in the other place concerning this particular bill and have read the proceedings in the committee in the other place. I am satisfied with the opinions expressed there that the bill will accomplish the objective. I believe the objective is a sensible and worthy one and I believe that the bill therefore should enjoy the support of all members of the House. I am happy to rise to support it and make my speech very brief on that point, Sir.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I also rise to support the passage of this Private Member's Bill so that it can be referred to committee. I think the work of the Salvation Army in Canada as it is in most of the western world is well known. It certainly pioneered in the field of health care, social services, corrections and in child welfare. We wish to facilitate the continuation of the excellent standards and work that the Salvation Army has started.

The Salvation Army, however, is like many other organizations. It has grown dramatically in size. Its complexity has increased. It now has to deal with such complex things as detailed programs, government funding, properties that are immense, mortgages, cash flow, and a whole series of business and organizational problems that it initially did not anticipate in 1909 and in 1916 when these bills were initially passed.

The reasons we would like this matter to go before a committee to examine the bill are several. First, the other place did pass the legislation. It did have a committee. But it made no attempt to find out what were the implications of those bills. In fact, the committee hearing was one page in which the committee basically complimented the Salvation Army on its good works with much justification, but did not look at the technical details of what was happening with this legislation.

Second, there is a letter from Consumer and Corporate Affairs that says one of the things which this bill is intended to do is to remove the $350,000 limit on land value, a limit imposed in 1916. I read the 1916 legislation. There are two pieces of legislation in fact. But this section was repealed in 1957.

So we have Consumer and Corporate Affairs saying this is the intent of the legislation, and I read the legislation in 1957 that the parts referred to were repealed.

We have a letter from the minister raising an issue that the bill expresses no charitable intent for the Salvation Army. If you look at the 1916 legislation it is very clear that many of the activities that were contained in those pieces of legislation were of a charitable nature.

The legislation proposed that the Salvation Army, East be the continuing corporation and its by-laws be the ones that continue and the Salvation Army, West sort of fade out, which some people in western Canada would say is the intent of most easterners on all things.

When we read the two pieces of legislation and the 1916 piece of legislation, the Salvation Army, West is very detailed and sets out what the Salvation Army is going to be able to do. It can manage and operate hostels, places of rest, homes for women, and homes for children. When we look at the Salvation Army, East legislation, the by-laws make no mention of those things.

It also raises the whole issue of the transfer and handling of Salvation Army properties. I have sent a letter to the Salvation Army and I am going to refer to

parts of it because I think it is important that these questions be answered.

Do the proposed changes, particularly the removal of the $350,000 limit on real estate, and the amalgamation allow the Salvation Army to transfer property held by registered charities?

Each of its facilities is a registered charity in its own right. Can that be transferred to the corporation such as Grace Hospital, House of Concord, Mainwood Home, child welfare facilities?

Could profits from the sale of these properties legally then be used by the corporation for other purposes? In other words, for non-child welfare or non-medical purposes?

Could the properties be transferred and sold in spite of provincial government wishes and the fact that the provincial government may have advanced funds on those properties or held liens such as under the Community Facilities Funding Act.

Could the assets or value of properties be transferred from one province to another province in spite of provincial government source of funding?

Has the Salvation Army communicated with provincial governments its request and obtained their concurrence?

• (1730)

As the Salvation Army is not a registered charity, can it hold properties that are used for charitable purposes? Does the Salvation Army now hold real estate in excess of the $350,000? I believe it does because since I wrote the letter, I found out that section was—

Mr. Milliken: They are a registered charity.

Mr. Karpoff: They are not a registered charity. The Salvation Army Corporation is not a registered charity. They have a number of registered charities held at provincial levels.

As I stated previously, I want to indicate to the Salvation Army that we would like this matter referred to a legislative committee so that these matters can be dealt with. We feel strongly that it would be a disservice to the Salvation Army if this House simply rushed through the legislation in a manner that would at some time in the future lead to the embarrassment of the Salvation Army.

The Salvation Army is known for its good works. It is known for its dedication to humanity and we feel that it deserves that this legislation be examined in detail by a committee, and we support approval at this stage and referral to a committee of this House.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise this afternoon to further continue the debate on VIA Rail. A question was put by me in this House back on December 6, with an unsatisfactory answer, I think it is safe to say.

It has been an interesting experience, working with the transport committee, railway unions, Rural Dignity, Transport 2000, Greenpeace, and the city of Thunder Bay, all in the aid of promoting a modern, efficient rail passenger service.

What we got from this government was not a step into the future, but a leap into the past. The Government of Canada cut the funding to VIA Rail which forced VIA to slash its system by approximately 51 per cent. Whole areas of the country lost their rail service. Northwestern Ontario in particular lost The Canadian. Atlantic Canada saw its service reduced to the point where it is almost impossible to go from Atlantic Canada to central Canada. The international and regional transportation networks were decimated.

This government argues that the fiscal necessities of our time forced it to do that. It also argued that the

people were not using VIA Rail. It was saying that 3 per cent of Canadians travelling from one city to another city were travelling by rail.

Well, Mr. Speaker, you know that you can use figures in many different ways. That 3 per cent represented 6.5 million to seven million people, and it was growing. More and more people were using it every day. We are seeing two to three million people directly disenfranchised as a result of this government's decision.

We have argued all along that what the government should be doing is what they promised to do and what the previous government promised to do. In fact, I have said it before. Seven ministers of transport promised to invest in VIA Rail. They started. They bought some new locomotives but, unfortunately, because they did not go the next step to buy the new passenger equipment, they had to attach the old locomotives to the new locomotives just to provide the heat for the trains behind them. That is not exactly the height of efficiency.

The government also said that there would be no impact on the environment, that shifting that many people from the trains to planes, cars and buses would have a negligible effect. It is obvious that if you add a million more car trips per year to the roads—and those are the government's figures concerning cars which will spew out that much exhaust into the air and contribute to that degree to the degradation of the environment—then there is no way that the government's figures are correct.

We have taken this battle to the courts and to the streets. We will continue it because we recognize that once before train services were cut in this land. That was back in 1982–83. I think, Mr. Speaker, that you were part of a very valiant effort to convince the government of the day to change that decision. Very clearly in 1982 it was wrong to cut VIA by 20 per cent, which is what the Liberals did, just as it was wrong in 1989 to make the decision to cut the system by 50 per cent.

Mr. Speaker, I say to you and to the Government of Canada that a fundamental error has been made. It is an error that will return to haunt government members, particularly in two or three years from now when we will go to the polls and the people of Canada will have an opportunity to pass judgment on the government of the day. As we know, governments tend to be defeated and not elected in this country. The Conservative Party will join the ranks of the opposition once again to be replaced, I hope, by a party that truly believes in rail passenger services, not one that just says good things about it in opposition but attacks it in government.

I look forward to the response by the hon. parliamentary secretary. He is fighting a losing battle on this one, the political battle, but I wait with interest his comments.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am so glad that the member opposite from Thunder Bay—Atikokan is so concerned about the welfare of the government throughout this situation in which we have found ourselves.

Really, it was a very difficult decision we had to make in terms of trying to bring some fiscal reality back into the system. Back in November when the hon. member opposite raised the issue it was in light of the standing committee's recommendation to the government that it put a moratorium on the changes that had been announced to take place on January 15.

In reflecting on the recommendations which the committee made, it was interesting to note that there was no mention that if the House and the government were to accept the recommendation, how we might continue to pay for the tremendous expenditures that flow out of the federal treasury on behalf of VIA Rail in order to keep VIA Rail afloat. That is what this is all about. Lofty ideas do not require financing—reality does.

In deciding upon this new network, the government had to balance fiscal reality with the actual usage as well as transportation needs. We are trying to build for the future here so that we will have a VIA Rail in the future.

Despite the more than $5 billion spent on VIA since 1977, subsidies to VIA have continued to rise. They are not going down, they are continuing to rise, even after $5 billion of expenditure.

In 1988 they reached an unprecedented level of $644.8 billion. Yet the passenger levels were 20 per cent lower than they were in 1981.

Our decision preserves the historic transcontinental service and service to remote communities solely dependent upon rail for access. It continues to provide a number of daily services in the Quebec–Windsor corridor which generated more than 70 per cent of VIA's 1988 ridership. In other words, we were looking at something that was affordable but we also needed something that

was sustainable. That was the challenge that was put to VIA management.

• (1740)

In order to mitigate the effects, the government directed VIA to treat affected employees with concern and compassion in full compliance with all of the collective and special agreements. VIA's five-year plan provided for separation benefits totalling more than $140 million. Given these factors and the need to reduce the deficit, the government stands by its decision to restructure VIA.

SOCIAL PROGRAMS

Mr. John Manley (Ottawa South): Mr. Speaker, I rise in this adjournment debate with respect to a question that I raised in the House of Commons on December 7, 1989. I was asking the government about some aspects of its proposed clawback of social benefits and in particular the way in which it had presented this clawback tax to the people of Canada.

An exchange arose with the Minister of Finance in which he referred to some pre-budget consultations with the One Voice seniors network. As a result of his reference to that pre-budget consultation, the One Voice seniors network issued a press release in which it stated that the minister was twisting its words. Their press release stated: "Seniors were appalled yesterday to see their words twisted to support the government's controversial clawback legislation".

I asked a question about this in the House. In the absence of the Minister of Finance the Minister of State for Privatization and Regulatory Affairs took the floor. He made matters worse. He decided to try to quote something that was said by Mrs. Woodsworth of the One Voice seniors network.

The Minister of State for Privatization and Regulatory Affairs said, as reported at page 6615 of *Hansard*:

> Mr. Speaker, I believe it is the hon. member who is twisting the words of the Minister of Finance. It is very plain exactly what Mrs. Woodsworth, who was representing that group, said. She said it, and I will read it to you again. I will do so slowly.

I might say there was some sarcasm in his voice when he said that.

> —we agree with the Economic Council that people with over $50,000 of income should have their OAS taxed back.

That prompted a letter from Mrs. Woodsworth in which she referred to that quotation. She stated the following:

> It has been the consistent position of One Voice that the clawback is a serious threat to universality of Canada's social benefit programs, and we have never supported the measure. I know that I personally never made such a comment.
>
> We have contacted the Economic Council of Canada and they have been unable to locate any report which makes a reference to the clawback or the $50,000 threshold.
>
> What concerns us more is that the clawback was not announced until the budget was released in April. We wonder how discussion of the clawback or the $50,000 threshold could have taken place in February before it had been announced in April.

Mr. Speaker, I do not want to belabour this. The Minister of State for Privatization and Regulatory Affairs clearly was anxious to make his point and he did it with perhaps a touch of emphasis which he later regretted. The point very clearly is that the government, in introducing the clawback of old age security payments and family allowance payments, did so in what I describe as an under-handed and sneaky fashion.

These benefits were referred to by the Prime Minister prior to both elections as "sacred trusts". He did not ever suggest to anyone that he was about to cut into these social programs, and yet, when the first budget came out after the last election, there it was.

The process—well, there was no process. The process was that it was announced in the budget and enacted in income tax legislation.

Whether you agree with universality or not, that is not the point here. The point is this; universality has been recognized as the cornerstone of our social programs in Canada, be they family allowance, old age pensions, or medicare. Even education, in a sense, is a social program, and universal access has been regarded as the cornerstone of that.

If you want to end that, if you want to change the basic structure of our social programs, surely the way to do it is to announce the intention to have a full and open public debate on it, in which the case for and against universality is made, not only by those who are concerned with fiscal aspects of it but by those who are concerned about

the social aspects of it. Once that debate has occurred across Canada then we proceed with the will of the people in mind.

There was no debate. There were promises made, promises broken. Debate did not occur. It was introduced in a tax bill where it could not be fully debated and forced through by the government using time allocation. The universality of those social programs has ended without full debate. For that I think the government must be held to account.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I think we should put the problem into perspective. This means realizing the fact that we have a national debt that has now reached $320 billion and is a threat to Canadians. Mr. Speaker, $320 billion isn't peanuts. It's a major problem.

That being said, if we look at what the situation was in 1969, Mr. Speaker, 12 cents of every tax dollar was spent on paying our debt. This year, it is 35 cents. Out of every tax dollar collected by the Canadian government, 35 cents goes to pay Canada's debts, debts that were accumulated during the previous administration. If we want to go on having social programs in the future, if we want to ensure that Canadians will have the social programs they want and to which they are entitled, I think that at a time when we are talking about budgetary restrictions, we must consider those Canadians who have high incomes and who can help the Canadian government pay off this enormous national debt.

Mr. Speaker, we are saying to the 2 per cent of Canadians with a gross annual income of more than $77,000 that they are going to pay back part of the old age security pension they receive at a rate of 15 per cent. Only this group of Canadians is affected by this measure. Mr. Speaker, I think that if we asked Canadians over 65 with a gross annaual income of $77,000 if they were prepared to give a little more to their country than a person who has a much lower income, they would have to admit, although perhaps not willingly, that they don't need an old age security pension from the Canadian government.

In concluding, Mr. Speaker, I must say I am surprised that I should have to explain all this to my Liberal colleague. It seems that only two days ago, at a Liberal orientation conference in Toronto, they recommended removing social programs and introducing instead a guaranteed annual income. Implicitly, this means doing what the present government will do by taxing high-income Canadians at a somewhat higher rate.

I see, Mr. Speaker, that you are telling me that my time has expired. Thank you.

• (1750)

[*English*]

PROPOSED GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, I rise to further inquire of the Minister of State (Housing) about the effects of the GST on housing affordability.

I said on November 28, 1989 that if the goods and services tax is applied to a new home, it is not a tax on consumption. It is a tax on a dream. It is a tax on savings and it is a tax on a basic essential of life, shelter.

This government has reneged on its promise to mitigate the negative repercussions of the GST on the affordability of new home ownership, on housing. The result will be reduced accessibility to home ownership on the part of Canadians, especially those who live in high cost markets such as Toronto and Vancouver.

The government promised to ensure that there was no negative impact on housing affordability from sales tax reform and that the new tax would not be allowed to prejudice the reasonable opportunity for home ownership that Canadians would otherwise have enjoyed. In other words, the new system will not pose a barrier to the affordability of housing.

A rebate of 2.5 per cent of the GST is payable on new homes that are principal residences priced at less than $350,000. The rebate then declines sharply to nil for homes above $450,000.

The average home priced at around $150,000 in this country will be taxed at a rate of 4.5 per cent after the rebate. The Conservative government has assured the people of Canada on numerous occasions that the rebate guarantees that the GST does not pose a barrier to the affordability of new homes in Canada. I disagree and I have the figures and calculations to back me up.

This rate of taxation will have an average inflationary effect on the price of new homes of some 2 per cent nationally and this could rise to as much as 3 per cent in metropolitan centres where the cost of land is very high. I am aware that the Department of Finance does not agree with these figures but the average 2 per cent inflationary increase on both new and existing homes is one that is widely accepted by housing organizations such as the Canadian Home Builders' Association.

The figure is calculated to factor in the current effect of the federal sales tax and compare it to the new goods and services tax. The assessment of the effect of the GST on housing affordability cannot be done in a vacuum. Actions by provinces and municipalities which have resulted in added financial obligations on the housing sector through land transfer tax, lot levies, processing fees and other means are also reducing the affordability question. The government promised to bear these factors in mind but it obviously did not.

The rebates that are being offered are not only insufficient to counter the inflationary impact of the goods and services tax, they are also inherently inequitable to Canadians who live in high cost areas who must pay higher prices not because the houses are luxurious but because the land costs are expensive.

The government is not acknowledging these facts. Instead, the government is clinging to its conclusion that the GST will only have a slight increase of .3 per cent on the average, to be exact, in the price of new housing. Why is this government ignoring housing organizations which claim that this government has over-estimated the burden of the existing federal sales tax on a typical new home?

The government insists that the effect of the FST on a new house is about 4.2 per cent. Other figures show that the net effect of the FST is only 3.7 per cent. This lower rate is documented and calculated in great detail.

The Department of Finance has not released any of the calculations behind its estimates. Why will the government not show how it arrived at a 1.6 per cent effect on the GST on new home prices in Toronto? Detailed calculations have been given to the government to show that the effect of the GST on home prices in Toronto is actually 3 per cent.

How democratic is this Tory government when it tells the people of Canada, "We are right and you are wrong." The Conservative government is telling Canadians it does not have to be accountable for its decisions.

The entire existing federal sales tax will not disappear entirely as of January 1, 1991, as they would have us believe. This government insists on clinging to its unrealistic assumption that all the existing FST will disappear on New Year's Day. A more reasonable assumption would be to assume that one-third of the existing FST will remain in the cost structure of new housing over the foreseeable future.

I ask this government to table the figures on the effect of the GST on housing because people want to buy homes. They need the shelter but they cannot afford to buy the homes if, in fact, the GST is having an adverse and negative effect on affordability.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, time and time again I have told Canadians, and I want to re-emphasize this evening to the hon. member, that my primary goal is to ensure decent affordable housing for every Canadian. That is a goal, not only of me personally, but of the government. For that matter, although it may surprise the hon. member, it is a goal of the Minister of Finance as well.

Housing affordability is something that the Minister of Finance spoke about back in the fall of 1988. He indicated at that time that with the imposition of a goods and services tax efforts would be made to protect affordability for low and modest-income Canadians.

As a result of that undertaking by the Minister of Finance, his officials and my officials at CHMC have had numerous discussions over many months. I have personally had many discussions with the Minister of Finance on this very vital issue.

Those discussions took place against the background of the whole question of introducing a goods and services tax in place of the present federal sales tax, a tax which penalizes our exporters, benefits importers, penalizes jobs in this country and reduces the gross income of Canadians as a whole.

The first goal was to get rid of that tax. The second, of course, was to find a way to protect affordability of housing against a background of discussions wherein people were saying that we should tax everything, not just new housing, and that there should be no exemptions. The proposal at that time was for a 9 per cent goods and services tax, and that there should be a 5 per

cent goods and services tax on all housing, existing as well as new housing.

The result, of course, is what we have before us now. The House is debating Bill C–62, which deals with the goods and services tax as presently put forward.

In examining that tax we have to bear in mind first, that at the present time there is a federal sales tax of 13.5 per cent on all building supplies. As well, there is a federal sales tax on many other inputs that go into the building of a new house, whether it is the machinery or the tools that are used in the building of that new house, or whether it is the office supplies or the printing materials that are used with respect to it. Whatever it is, there is at the present time a federal sales tax of 13.5 per cent that goes into the building of that new house.

What we are talking about now is taking that off and putting in its place, first, a 7 per cent goods and services tax with a rebate of 2.5 per cent on homes of up to $350,000. The net impact of the goods and services tax on new housing is a 4.5 per cent tax on all parts of that new house. That compares with the present federal sales tax that impacts on new housing at the rate of 4 per cent. That means what we are talking about with the goods and services tax is really a one half of one per cent increase of the total tax that is imposed on a new house under this system.

What the impact of the goods and services tax with the rebate means is that there will be, in many cases, no increase in the tax, or in some cases a modest increase in the tax. In all cases there will be a rebate on the tax up to the $350,000 cost of housing.

I think it is important that I point out as well that over the last two years housing prices have increased dramatically without any tax changes whatsoever over and above what the impact of the GST will be. For instance, in Canada last year the price of a new house increased by 13.2 per cent; in Toronto, by 19.2 per cent; and in Vancouver, by 30.7 per cent.

It is quite clear that there are other factors going into the cost of housing and new housing other than and separate and apart from any taxes whatsoever. That is why I and the government have been working to put surplus government land on the market to increase the supply of housing. That is why we are looking at the possibility of a 5 per cent down payment. That is why we have instituted co–operative committees, provincial, federal and municipal, to make sure that we can accommodate affordable housing.

With all of these things, I am sure it is clear to you, Mr. Speaker, and to the hon. member that the government is dealing with this question of housing affordability and that we will continue to deal with it until we have ensured that each and every Canadian has a decent house at an affordable price.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m, pursuant to Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Wednesday, January 31, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN BROADCASTING CORPORATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, leaked reports abound that senior cabinet ministers may resign because they can no longer stomach their government's undermining of Canada's social and economic infrastructure with its cuts to VIA Rail and the unemployment insurance system, its withdrawal of commitment to foreign aid and its mismanagement of the fishing industry, tax reform and the economy in general.

Now the CBC is implementing the government's imposed cuts of $140 million ahead of schedule. The policy of stripping $280 million from the CBC since 1984 is undermining that corporation's ability to promote a distinctively Canadian identity, to foster culture and arts reflective of Canadian values and the various cultural communities that make up those values. It is indicative of this government's misplaced priorities.

The CBC is increasingly less able to promote Canada's two official languages, to promote a mutual appreciation of Canada's multicultural communities, to mitigate the influence of television media from south of the border and to sustain communication services to those living in northern and regional communities.

If the Minister of Communications cannot defend the CBC from his government's distorted priorities, perhaps he should follow the lead of his colleagues on other issues and threaten to take his questionable talents elsewhere.

THE ENVIRONMENT

Hon. David MacDonald (Rosedale): Mr. Speaker, I would like to take this opportunity to congratulate Toronto City Council for taking a leadership role in developing a blueprint to save the environment.

Yesterday, Toronto City Council endorsed in principle a report prepared by the city's special advisory committee on the environment. The report will lead to an action plan to slow down the greenhouse effect and combat global warming.

Toronto is the first city in the world to take such action. The report has called for a cut in CO_2 emissions by 20 per cent by the year 2005, the encouragement of public transit, alternative fuels and energy conservation, improvement of bicycle paths, extensive tree planting as trees remove CO_2 from the atmosphere, a $23 million atmospheric fund and the pursuit of a 10 per cent carbon tax.

Our government, provincial and municipal governments, and governments around the world should applaud Toronto's initiative and look to Toronto as a world leader in the fight against global warming and the greenhouse effect.

* * *

SOCIAL PROGRAMS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, during *The Week Starts Here* program on CBC Newsworld last Sunday the Parliamentary Secretary to the Minister of Finance stated, in response to a question about ending universal funding for medicare, that if we want to keep social programs in 10 years wealthy people should start to pay for them now. His approach was to suggest that the same clawback approach used for old age security and family benefits be considered for medicare.

As well, a number of business groups have called upon the government to make drastic cuts to social programs. In his statements this week the Prime Minister has willingly agreed to accept the position as chief execution-

er of Canada's social programs. As well, the chairman of the finance committee stated that this government has decided to eliminate universality of social programs.

One by one, members of this government, like rats boarding a sinking ship, are voicing their support for this unwarranted and vicious attack on medicare and social programs. Canadians well remember the Prime Minister's promise that social programs were a sacred trust.

Surely this Prime Minister can't expect ordinary Canadians to believe him and his government any longer. This is clearly a matter of trust and Canadians no longer trust this Prime Minister, and rightly so as one election promise is broken after another.

* * *

[*Translation*]

FIREARMS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, since the tragic events at Montreal's *École Polytechnique*, when 14 young women were killed by a man carrying a powerful weapon, there has been a major movement across the country against the use of semi-automatic weapons.

Thousands of Canadians are demanding changes in the existing legislation in order to limit the sale and possession of such weapons in Canada. People across the country, especially in Quebec, urgently request that the Minister of Justice amend the legislation.

Mr. Speaker, I imagine there are enough competent people around the Minister of Justice to clarify, in a bill, the difference between weapons used for hunting and combat weapons.

I may remind the House that what is important for a hunter is accuracy, not the number of bullets fired.

Mr. Speaker, our government must act and make appropriate amendments to the present legislation, in the interests of protecting Canadian citizens.

[*English*]

CANADA POST

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, the post office is an integral part of community life across rural Canada. In many cases the rural post office is the only federal presence in a community.

Last week a message was published in the local Island newspapers on behalf of a number of municipalities and organizations. It requested that the federal government maintain post offices as a government service and completely stop the closure and privatization of post offices on Prince Edward Island.

Today, representatives of the West Prince Chamber of Commerce and the President of the Prince Edward Island Federation of Municipalities will express their concerns before a standing committee of parliament looking into Canada Post.

I hope that this government will be listening to what Islanders are saying, to what Canadians are saying and that it will protect and maintain rural post offices in Canada.

* * *

TRADE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, over the past month and the month before we have been hearing a great deal about the free trade agreement. One of the things we have not been hearing is that 99 per cent of our trade with the United States is now dispute free. I know that this positive trading relationship is a disappointment to our left-wing friends across the floor, but Canadian manufacturing exporters are continuing to take advantage of the free trade agreement.

• (1410)

Just last week Sweeprite Manufacturing, a Regina company, was awarded an $18.5 million dollar contract to supply mechanized sweepers to the United States Department of National Defence. This is the kind of contract which has been made possible by the climate created since the signing of the free trade agreement and the development of the level playing field.

The export of manufactured goods from the prairies to the United States is a real indication of the growing diversity of our economy with increased economic stability and jobs, jobs, jobs.

Yes, Mr. Speaker, the free trade agreement and the Western Diversification Program are working and I congratulate Sweeprite Manufacturing and its staff on their success.

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UNEMPLOYMENT INSURANCE

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, for the past six months the people and workers of Trail, B.C., and the surrounding area have been told by Canada Employment and Immigration officials that as of this March 1, most unemployment insurance functions of their Canada Employment office will be terminated and transferred to Nelson, some 80 kilometres away. Ten employees will have to move or quit their jobs and claimants with difficulties will have to travel an extra three hours for service.

This unemployment insurance agency amalgamation is being carried out in the name of a dubious and unsubstantiated claim of "improving services" in Trail. In 1987 this unemployment insurance office received the PEP award as the most productive and efficient UI office in B.C.

A delegation from the city of Trail and the regional district of Kootenay-Boundary will be meeting with the Minister of Employment and Immigration this afternoon on the need for enhanced UI services in the Trail area in the months and years immediately ahead due to a myriad of impending construction projects and major labour force dislocations within the immediate area, including those caused by the recent Sullivan mine closure in Kimberley, which will require improved and expanded UI services in Trail, not less.

I ask the minister to listen carefully to these facts, of which her officials may initially have been unaware, and to seriously review the earlier decision of her department in light of these new facts.

[*Translation*]

CANADA POST CORPORATION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, tomorrow morning, the Canada Post Corporation will introduce an outrageous increase in postal rates for air stage services.

The consequences for northern regions are easy to predict. The cost of living will go up, people's health will be at risk and the gap between rich and poor will become even wider.

Mr. Speaker, I have reason to believe that employees of Canada Post and a number of other government organizations in the north do not have to pay freight costs on food they order from the south, thus enjoying a benefit not available to people who have to buy locally.

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RACIAL AND CULTUTAL DIVERSITY

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, information is the key to knowledge.

Information about our ethnic differences is the key to understanding, tolerance and harmony. In Canada, the media are in an excellent position to further this concept.

The Canadian Ethnocultural Council has suggested creating a multicultural media institute. Its plan includes a basic strategy, at regional and national levels, to make the media more aware of the importance of being objective in their presentations in order to avoid creating cultural and racial stereotypes in this country.

[*English*]

I urge the Minister of State for Multiculturalism and Citizenship to reconsider his decision to not assist in financing this program when the funds become available. Sensitization of the media is an important element for promoting harmonious relations among all Canadians.

* * *

THE ENVIRONMENT

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I congratulate the Tatamagouche Recycling Committee for its fine work in planning and organizing an

innovative plan to resolve the waste disposal problem in their community.

This local group headed by Dr. Pippa Moss, with Tina Harriot and Bill Campbell serving on the executive, have raised funds and services from many local individuals and businesses. They then successfully applied to Environment Canada for matching funds through the Environmental Partners Fund. This is not a giant project, but still a very important one and done completely by volunteers interested in reducing pollution and encouraging recycling.

The original survey that determined that 92 per cent of the residents in the area would support the local project clearly indicates how important this issue is to the people of Tatamagouche. They have a beautiful place to live and are fully prepared to put forth a great deal of effort to maintain it.

Clearly, the Environmental Partners Fund is properly named because it is a partnership between the people and the government which will result in a better environment for everyone. Congratulations to the committee for this ambitious endeavour.

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BRAZIL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, all Canadians should be concerned about the survival of the Yanomami people in Brazil.

Last week, the Brazilian Government violated a court order and indeed violated the Brazilian constitution in refusing to evict 45,000 gold panners from the State of Roraima, a territory in which the Yanomami people have lived for generations.

Twenty years ago, the Yanomami had only sporadic contact with the outside world. With the arrival of the gold panners has come disease, pollution and violence. The Brazilian government's decision to allow continued mining and colonization means an exacerbation of these problems and poses a real threat to the tropical rain forest so crucial to the global environment.

Hundreds of Yanomami deaths have been related to their new contact with outside peoples. With the persistence and augmentation of this contact, these people face a real threat to their survival as a people.

I call on the Canadian Government to express its disapproval of the Brazilian government's decision and to work through international financial organizations to ensure that a sustainable natural environment takes precedence over reckless development.

* * *

LAW OF THE SEA

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what a contrast between the Prime Minister's pledges of support for sustainable development and Canada's inaction. At the United Nations, Canada has not ratified the Law of the Sea, which would help protect and properly manage the oceans of the world. To come into force, 60 nations must sign and ratify it. Only 43 nations have so far ratified the Law of the Sea, but Canada is not among them.

When will the Prime Minister match his rhetoric with action? When will he instruct Ambassador Fortier to ratify the Law of the Sea? When will Canada start advocating at the United Nations the ratification of the Law of the Sea, thus playing a positive role in the implementation of sustainable development in the oceans? The goal is within grasp and yet still elusive because of lack of political will.

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MEECH LAKE ACCORD

Mr. John A. MacDougall (Timiskaming) Mr. Speaker, I am most disturbed by recent statements made in the riding of Timiskaming against the Meech Lake Accord.

Liberal leadership hopeful Jean Chrétien, who recently came to northeastern Ontario, is speaking out against the Meech Lake Accord. Now he and the local Timiskaming Liberals are barking and clapping like trained seals: "Meech Lake is dead and happily so".

Allow me to respond to Mr. Chrétien and his supporters. Canadians who are concerned with the future of our country, who are concerned with national unity and cultural tolerance, find these doomsayers' statements irresponsible and divisive.

There was an agreement among all premiers at Meech Lake in 1987. Canadians are wanting to see the agreement again in 1990. Our Prime Minister should be commended and supported for successfully building our country's strengths and uniting Canadians. Jean

Chrétien and his Liberals could not do this in 1981, and obviously they cannot do it today.

I say there is no room for those Liberal undertakers of yesterday who are ready to bury Meech Lake and the future of Canada at the same time.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. I have now had an opportunity, as several Members of Parliament have, of reviewing some of the technical language in the legislation on the goods and services tax which the minister has produced in this House.

Luckily for the minister, most Canadians are not in a position to have read the legislation. According to pages 312 and 313 of the legislation, the situation is that seven-year-olds who want to set up a Kool-Aid stand on the corner will pay the goods and services tax—

Some hon. Members: Oh come on.

Some hon. Members: Oh, oh!

Mr. Peterson: Just keep laughing all the way to defeat in the polls.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, there is a lot of nervous twittering from the government benches.

The kid who wants to set up a Kool-Aid stand will pay 7 per cent goods and services tax on the Kool-Aid that he purchases from the corner store. A multi-millionaire who wants to serve his friends caviar at $311 a pound will not have to pay a cent of tax under this legislation.

Could the minister explain how he could possibly have come up with such stupid legislation? Millionaires will not pay a cent on luxury gourmet foods but kids will have to pay 7 per cent on lemonade.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the hon. Leader of the Opposition could not see it, but there is a four-year old up the gallery who was yawning while he was asking the question.

Some hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, he is not in my riding association.

The hon. member has pointed out a difficult area of borderline in the goods and services tax. We have acknowledged this. If the hon. member is suggesting that we tax food, let him say so. That is not the position of the government. It is not the position of this party. If it is a position of the Liberal Party of Canada, then say so.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is a breach of the rules, but if I were sitting in the gallery and had to watch the Minister of Finance, I would be yawning too.

Some hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Nobody who is watching this House of Commons will be doing anything but laughing when we finish with this goods and services tax.

I do not know whether the minister has read the legislation, but how can he justify that under the goods and services tax a cookie is taxed, paté de foi is not taxed; pretzels are taxed, smoked salmon is not taxed; sherbet is taxed, filet mignon is not taxed; a grilled cheese sandwich is taxed, imported French Brie is not taxed; cold cuts are taxed, oysters are not?

I also want the minister to explain why, according to Schedule VI, Part III, section 1, subsection (m) of his legislation, muffins are taxed but English muffins are not taxed. Why does the minister not admit food is food, tax is tax. Withdraw this stupid legislation and take tax off food altogether.

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know whether the right hon. Leader of the Opposition was reading from the most recent menu at Winston's, but I presume he is going there more frequently now.

The right hon. Leader of the Opposition is pointing out what is a difficult area of the tax, the borderline between what is taxable and what is not taxable. We made a fundamental choice that we were not going to tax basic groceries. We said that in December 1987. Because of that, you have to decide what is taxable; processed

foods, things like that, and what is not taxable; basic groceries. Where that borderline comes together is difficult.

We have asked the finance committee to review this. We have asked members of the Restaurant Association and the food industry to provide us with advice on this. The borderline that we have today is the fairest borderline that we have been able to come up with, based on the advice we have been provided.

Right Hon. John N. Turner (Leader of the Opposition): I think that Members of Parliament, and what restaurants we have still open, ought to tax Wilson's cooked goose.

[*Translation*]

Let's make this clear, Mr. Speaker. On September 1987, the minister said before the House: "This booklet is very clear. There is no proposal to tax food. That is very clear." Those were the minister's words. If what the minister said is true, our conclusion must be that in his bill, hamburgers are not food, hot dogs are not food, soft drinks, dried fruit, ice cream, salads, fried chicken, pizzas, pies and cheese platters are not food, according to his definition, since the goods and services tax will apply to each of these items. Every week, millions of Canadians buy take out meals or eat in cafeterias. However, according to the Minister, what they are eating isn't food. My question is this: If these items are not food, then what are they?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I refer the right hon. Leader of the Opposition to my statement in December 1987 where I said that basic groceries—

Mr. Turner (Vancouver Quadra): You said food.

Some hon. Members: You said food.

Mr. Wilson (Etobicoke Centre): The statement that I made at that time was that basic groceries were not taxed. I said we are going to have to find the basis of drawing the borderline between what is basic groceries and what is restaurant food.

Is the hon. Leader of the Opposition saying that a meal, which is food, at his favourite restaurant, Winston's, is taxable or not taxable? What is his position on that?

Mr. Turner (Vancouver Quadra): You said you weren't going to tax food.

Mr. Wilson (Etobicoke Centre): Again, I am getting no answer from the Leader of the Opposition. The Leader of the Opposition is totally devoid of ideas on this matter. The New Democratic Party, to its credit, has at least put up some suggestions as to alternatives. I disagree with those alternatives but I have yet to hear one idea—

Mr. Turner (Vancouver Quadra): That's absolutely pathetic.

Mr. Wilson (Etobicoke Centre): The hon. member says it's pathetic. It's pathetic that the Liberal Party of Canada has not put forward one proposal, one thought, one original idea on the goods and services tax.

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CANADIAN NATIONAL RAILWAYS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister and it is further to questions asked yesterday in this House about the conduct of Mr. Brian Gallery, vice-chairman of CN.

I have in my hand a copy of a letter dated July 5, 1989 from Mr. Brian Gallery, Acting Chairman of CN, to Brant Ducey, vice-president of public affairs and advertising, CN, in which Mr. Gallery, in the words of an editorial in today's Montreal *Gazette*:

> —threatened that if CN did not continue placing the ads in his (Gallery's) magazines, he would intervene to block two lucrative contracts that CN was seeking at the time.

Does the Prime Minister not agree that Mr. Gallery, Acting Chairman of CN on July 5, 1989, appointed by the Prime Minister and his cabinet, and President of the Progressive Conservative 500 Club fund raising organization, acted improperly in putting his private interest ahead of his public responsibility as Acting Chairman of CN?

Will the Prime Minister announce today the resignation of Mr. Gallery as vice-chairman of CN and will he assure this House that a complete and thorough investigation into Mr. Gallery's activities at CN will be conducted by an independent organization and made public?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I answered that question yesterday. The reference was to allegations reported in one of yesterday's papers. The hon. member says he has a letter. They always have letters, and obviously, a decision is not going to be based on those papers. I said yesterday—–I asked the Chairman of the Board of Directors of Canadian National to send me information concerning to the question raised by the hon. member, and until such time as I have received that information, Mr. Speaker, I have no further comments to make.

• (1430)

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I can assure the minister that the quotations in *The Globe and Mail* yesterday and in *The Gazette* today are absolutely correct. I have the letter in my hand. I will send a copy to the minister. It bears Mr. Gallery's signature.

Now let's not play games. Mr. Gallery is no stranger to the government opposite. He was appointed by the Prime Minister as acting chairman and appointed by the Prime Minister as the lead fund raiser of the Progressive Conservative Party. He is not a stranger to the government opposite.

I want to ask the Prime Minister, not the Minister of Transport: will he take his responsibility and seek the resignation of Mr. Gallery?

Further, will he give this House an assurance that at no time was CN's private dining car used by Mr. Gallery in his efforts as chief fund raiser for the Tory 500—

Some hon. Members: Oh, oh!

Mr. Speaker: I doubt very much whether that suggestion has surfaced in any of the letters.

The hon. minister has the floor.

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, once again, these are accusations and allegations, no matter how they are qualified, and any information on Mr. Gallery. That I receive from the Chairman of the Board of Directors of CN, Mr. Brian Smith, will be considered. But until such time as I receive that information, any assessment will be based on information produced by the Chairman of the board.

* * *

[*English*]

FISHERIES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The real tragedy of the east coast fishery is that the crisis was foreseen. The government knew that the resource was being depleted. The government knew that new resource management measures were needed. The government knew that foreign fisheries were taking far too many fish. Yet this government did not listen. Now we see the enormous human and economic costs to the Atlantic region.

If the long-term survival of the east coast fishery demands further cuts, as it may, to the cod quota, is this government prepared to do that? At the same time, will the government put programs in place to ensure that Atlantic Canadians can survive yet another crisis?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, there is not a member in this House who cannot feel compassion and concern for the families and communities of Atlantic Canada affected by unforeseen developments in regard to northern cod stocks off the coast of Newfoundland.

It is not correct for the Leader of the NDP to suggest that these matters could have been foreseen.

Some hon. Members: Oh, oh!

Mr. Siddon: In fact, the projections of abundance on which the quotas were established were made many years ago using inadequate scientific processes in full consultation with all sectors of the industry, provincial governments, under the leadership of a Liberal government of the day and the guidance of Senator Michael Kirby in his capacity as task force commissioner.

Whatever decisions are required in the interest of preserving the resource and ensuring a long-term stable fishery in Atlantic Canada, this government is prepared to take those decisions, to show the human compassion

and to provide the appropriate programs and assistance to those communities which are absolutely necessary and to which this government is fully committed.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the residents of Atlantic Canada know that the reports on the fisheries that have taken place year after year are much more concrete than this government's promises about what it is going to do in Atlantic Canada.

Increasingly Canadians on the west coast involved in the fishing industry are wondering if the same kind of neglect we have seen on the east coast is going to take place on the west coast. There are 10,000 British Columbian jobs that depend on fish processing.

Will the minister indicate how the federal government intends to protect those jobs and ensure that the salmon and herring fishery is protected? Can the minister explain to this House how he can exercise effective resource management when his department does not even know now how many fish are being caught and sold directly to the United States?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, with all due regard for the sincerity of the Leader of the NDP in posing the question, the government and the department of fisheries know very accurately how many fish are being caught and processed in British Columbia and in Atlantic Canada.

What is not always known with great certainty is how many fish remain in the water, because over the years there have been improvements and changes to scientific methodology which give us, as a result, the most abundant salmon and herring fisheries that have ever been seen on the Pacific coast in this century.

It is a fact that more fish were imported raw from the United States in 1989 than were exported to the United States. It is a fact that there are more processing jobs in the British Columbia fishery today than there were in 1984.

The hon. member should do her homework because, if she did, she would find those facts to be the absolute truth.

* * *

AGRICULTURE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

The Deputy Prime Minister is obviously aware that President Bush has just announced an increase to the American export enhancement program and that this increase in subsidies on American grain exports will give Americans a further advance in pursuing traditional Canadian grain markets.

What is the government prepared to do to respond to this new threat? Will he announce concrete and specific measures to help Canadian farmers keep Canadian grain export markets?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, the proposal is for the 1991 fiscal year and it is a proposal by the President to Congress asking for $900 million in the export enhancement program.

I would like to draw to her attention that in the year 1990 the President asked for $1 billion and Congress granted $566 million. That is really what we are dealing with today.

What this brings to light in a very dramatic fashion is the need and the urgency for making progress at the MTN negotiations. Quite frankly, it is Canada that has been at the forefront, along with other exporting grain countries like Australia, in dealing with this issue.

I might remind the hon. member that what we are seeing here is a signal by the United States that it is not going to continue to tolerate the trade distorting practices of the European Community which, by the way, has become the second largest exporter in the world. It has displaced Canada as the second largest exporter of grain in the world.

It is the Europeans who are really the culprits in this issue. What we are seeing is the response by the Americans. What we have to do is bring about a gradual reduction of the trade distorting subsidies so that we can have once again a level playing field.

Some hon. Members: Hear, hear!

* * *

CROWN CORPORATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister who is the administrator of our conflict of interest rules for the government.

Order in Council appointee Brian Gallery has sent a letter in reference to his publications from which I would like to quote. I quote from page 2 that refers to actions "which would be a serious blow to the financial success of Gallery Publications." That is in reference to a contract that that company had with CN.

Given that Section 116 of the Financial Administration Act states that an officer of a Crown corporation who has an interest in a contract with that Crown corporation must make a disclosure in writing to the corporation, is the Prime Minister now ready to table that document, the document concerning his appointee, Mr. Brian Gallery? Or, will he not admit to the House that five minutes ago the corporate secretary of CN was unable to ascertain that such a document had ever been filed?

• (1440)

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the hon. member for Glengarry—Prescott—Russell is referring to the same sources as his colleague from Newfoundland, and I will repeat what I told his colleague.

Mr. Boudria: No!

Mr. Bouchard (Roberval): Mr. Speaker, he is arguing on the basis of documents, and so forth. Once again, elementary decency demands that the minister responsible to the government for a corporation should ask that corporation to provide, through the chairman of the board, any information on a question of this kind. That is what I have asked the chairman of the board of directors to do. And once again, until such time as I have received this information, I have no further response to give to the House.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let the record show that Mr. Don McKinnon, the corporate secretary, was unable to find that information as of five or ten minutes ago.

I want to ask the Prime Minister the following question. This time it is about the conflict of interest code which he himself tabled in the House on September 9, 1985. The code states very clearly under Section 7:

> (d) on appointment to office, and thereafter, public office holders shall arrange their private affairs in a manner that will prevent real, potential or apparent conflict of interest—

The code also states that they:

> —shall not solicit or accept transfers of economic benefit—

Does the Prime Minister feel that Section 7 of the code has been observed by Mr. Brian Gallery. Is he prepared to say that here and now?

Mr. Benjamin: One Brian deserves another.

Some hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what is so funny?

Mr. Boudria: Nothing.

Mr. Mulroney: I have been asked a simple question. I agree with my hon. friend, but the NDP seems to think it is a jocular matter. It is not.

I have been asked a question. My hon. friend is seeking information. Surely, he would not want me to express a value judgment of any kind in the absence of all relevant facts.

The Minister of Transport has explained that the chairman of the board of the CNR, Mr. Brian Smith, is in the process of ascertaining all relevant data that will be—

Mr. Boudria: Under the code the responsibility is with you.

Mr. Speaker: A question has been asked. The right hon. Prime Minister is attempting to answer it. I would ask for the co-operation of members.

Mr. Mulroney: Mr. Speaker, when that data has been assembled by the appropriate officer of the Crown corporation, as indicated yesterday a report will be made to the Minister of Transport. It is very clear.

Mr. Boudria: You are responsible for the code.

Mr. Mulroney: It is very clear that irrespective of what those facts might be the Liberals are not seeking justice. They want a lynching. They are not going to get it in the House of Commons.

Some hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want the Prime Minister to take this matter seriously.

Some hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): This is a letter. The Minister of Transport has now had over 24 hours to investigate it, and he has not given us an answer.

This letter is dated July 7, 1989 from Brian Gallery who was then the acting vice-chairman of Canadian National Railway, to Grant Ducey, who is vice-president of public affairs and advertising. He complains that *Seaports*, Mr. Gallery's magazine, has lost a contract from Canadian National.

Here are some of the words he uses to Mr. Ducey who is an employee of the company:

> As you are aware, CN is actively asking to recapture Cast's business. Klaus Glusing, the President, is a personal friend of mine and of "Seaports" and has been one of our strongest supporters for many years.
>
> CN is also seeking to obtain the Maersk business. Barry Olsen, the President, is a long-time friend of mine and supporter of "Seaports" as well.

Does the Prime Minister agree with these implied threats directed by a senior member of the board of CN, appointed by the Prime Minister, to an employee of the railway suggesting that he had better restore that advertising or else?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the minister indicated yesterday that the chairman of the board of the CNR is in the process of assembling all the relevant data in an objective and, I suppose, on a very fair-minded basis.

Surely nothing untoward will happen between now and the time that Mr. Smith reports.

This is not a matter of life or death. We can wait for the appropriate time for Mr. Smith to assemble the information.

Concerning whatever is in the letter which I have not read, surely my right hon. friend would not want to judge Mr. Gallery or anyone else in a peremptory and unfair manner. The request has gone to the chairman of the board of the CNR. He will assemble the data. He will make a value judgment and make a report to the minister of the Crown.

Surely that is in keeping with the traditions of this House.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am doing nothing but reading from Mr. Gallery's letter. Mr. Gallery was an Order in Council appointee at the direction, presumably, of the Prime Minister. Mr. Gallery is also involved in political activities for the Conservative Party. That is fine.

I am saying to the Prime Minister that he is responsible for conflict of interest guidelines. He has said on several occasions in this House that he takes personal responsibility for them. He does not need much investigation here. We have already given the government 24 hours notice on this issue.

Some hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, surely the Leader of the Liberal Party of Canada is not suggesting that appointment by Order in Council of someone associated with the Liberal Party in the future ought to be precluded from public service.

Mr. Turner (Vancouver Quadra): No, I am not saying that.

Mr. Mulroney: If the right hon. gentleman is not saying that, then he should not by implication impugn the integrity of Mr. Gallery without a verdict having been arrived at.

There is nothing unreasonable that has taken place in the procedure. It is an appropriate procedure. The minister, upon being apprised of this, asked the chairman of the board to get the necessary facts and to make a recommendation to the minister.

We too are subject to the conflict of interest guidelines that apply to public servants and to the various Crown corporations. I am not suggesting that anyone is immune from them in the least. Indeed the new legislation before the House will apply to all members of the Opposition as well. I look forward to its implementation.

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AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of Agriculture who has just told my Leader that what the country's farmers need is an international agreement.

That was the same message that was told to farmers several years ago prior to the signing of the Canada-U.S. Free Trade Agreement in which Article 701 was supposed to make certain that the U.S. did not subsidize sales into our markets. We made a similar commitment as well. Yet since that signing the U.S. has increased its

export enhancement program payments into our markets from below $7 a tonne to past $20 a tonne.

Could the minister explain to us what he thinks signing yet another piece of paper is going to do to correct the U.S. actions?

Some hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, with respect, the hon. member is wrong, because the export enhancement program has been reduced from $770 million in 1989 to $566 million in 1990.

What we have today is a proposal from the administration to increase it to $900 million in fiscal year 1991. I think it clearly demonstrates a signal that is sent to the European Community that if in fact there is not an agreement made to reduce in a very substantive way trade distorting subsidies as it applies to agriculture, the trade war will indeed escalate. This is not aimed at Canada. This is aimed at the European Community.

Lest there be any doubts about the ability of this government and the record of this government in responding to these kinds of situations, I would like to remind the hon. member once again, as well as the Leader of the New Democratic Party, that this government over the past five years has provided some $21.7 billion in direct and indirect assistance to the farmers of Canada. That is a record that has never been exceeded by any government in the history of this country.

Some hon. Members: Hear, hear!

• (1450)

Mr. Vic Althouse (Mackenzie): Mr. Speaker, this government has reduced the powers of the Wheat Board, done away with the two-price wheat system, done away with interest-free cash advances, made the Western Grain Stabilization Program inoperative and reduced crop insurance dollars, all in the past year.

What weapons are they giving farmers to stay alive in this trade war? What are they doing to keep Canadian farmers alive?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I will tell them what kind of weapons we are giving. We have before a legislative committee right now improvements to the crop insurance program that will see an aggregate increase in support by the federal government for the crop insurance program.

I might remind the hon. member that in this same budget, to which they have attracted a fancy in the United States, the United States has proposed to withdraw its support in subsidizing the crop insurance program in that country.

It also provides for a $1.5 billion reduction in price and income support for agricultural products. We have not done anything of that sort of magnitude.

As a matter of fact, the last fiscal year, 1988-89, saw some $4.8 billion poured into agriculture right across the country by this government. That clearly demonstrates our commitment to the farmers of Canada.

* * *

[*Translation*]

HOUSING

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, my question is directed to the Minister of State for Housing.

Yesterday, two Montreal city councillors presented a petition to the Minister of State for Housing, asking him to reactivate the Residential Rehabilitation Assistance Program (RRAP) for rented accommodation.

Since this program was used largely by Quebec, it seems to have been unfairly affected when this program was abolished.

Would the minister be kind enough to say how he intends to deal with this unfortunate situation?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, unfortunately the Province of Quebec, especially Montreal, is most affected by the abolition of RRAP for rented accommodation. We have set up a tripartite committee composed of representatives of the federal government, the Quebec government and the cities of Montreal, Verdun and Quebec to find a solution to this difficult problem.

[*English*]

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture.

Last month he met with the Secretary of Agriculture, Mr. Yeutter, in Washington and announced that the United States government would be ratcheting down the export enhancement program which has been so harmful to our Canadian farmers and to the world price of wheat.

Could the minister explain just what happened with that ratcheting down? In fact the budget brought forward this month was to increase the budget of the export enhancement program to $900 million from about $566 million last year, of which only $334 million was spent.

What happened? Did Secretary Yeutter mislead the minister, or was the minister misleading Canadian farmers when he told them in December that the U.S. export enhancement program would be ratcheted down in this coming fiscal year in the United States?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, in this fiscal year, 1990, the export enhancement program has been ratcheted down from $770 million to $566 million. That is this year, 1990. What the hon. member is referring to is fiscal 1991. That is next year. That has to be ratified by Congress.

If we get agreement in a comprehensive way on agricultural issues during the MTN negotiating process, Mr. Yeutter has made it very clear that that will be withdrawn.

Mr. Maurice Foster (Algoma): Mr. Speaker, the 1990 budget has been known for quite a while. Clearly the minister or the Secretary of Agriculture was misleading Canadian farmers back in December.

A month ago the United States provided some $20 per tonne for 500,000 tonnes of wheat to Russia. In March, the government is supporting exports of another 500,000 tonnes of wheat to Russia at almost $19 a tonne.

With this kind of subsidy provided to American grain producers, how does the minister expect Canadian wheat producers to survive fighting against the United States Treasury, which is in violation of Article 701.4 of the free trade deal?

How does the minister expect our farmers to survive with this kind of competition, this kind of unfair subsidization?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, we certainly are not supportive of the ongoing massive subsidization by the European Community and by the United States. The price war has affected Canada very directly. This government has responded in assistance to keep our farmers whole during that period of time.

With the drought situation and the progress made at the MTN, we had expected that there would be some relaxation of the subsidies being provided. Unfortunately that is not the case.

We will continue to work very hard at trying to resolve this through the ongoing multilateral negotiations. We are certainly making representations to the European Community and to the United States of America to slow down the pace and to stop the escalation of the price war because it is hurting the total world market.

We will continue to work at the MTN, showing leadership within the Cairns and on a bilateral basis to bring about stability and order to the market-place.

Once again, I repeat, at one time in 1977-1978 the European Community was a major importer of grains and oilseeds. Today, it has become the second largest exporter of grains and oilseeds. It has achieved that market through huge subsidies. The United States has been responding in kind.

If there is not progress during the MTN negotiations, I suspect we can only look forward to an escalation of that price war. That would be disastrous.

* * *

GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Minister of Finance.

For the purpose of calculating the goods and services tax, universities and colleges will be treated as one sector and a Canadian average will be calculated. These univer-

sities and colleges will be dependent on how each compares to the Canadian average and possibly might not receive full compensation for any tax changes.

How can the Minister of Finance justify placing an additional financial burden on educational centres already strapped with limited cash resources?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear that we have established an important and a generous principle. We have said that this sector, in aggregate, will not pay any additional tax over what it is now paying through the federal sales tax, the existing manufacturers' sales tax. That is something that we are discussing.

The means of implementing it is currently being discussed with the provinces to see whether there are ways we can simplify it or ways that we can utilize some of the existing relationships among provinces, universities and colleges.

I believe the approach we are taking is a realistic one. It is one designed to reduce complexities.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, every academic administrator right across this country has indicated that the Minister of Finance is wrong.

The response to me would also indicate that the government is not seriously committed to the education of our youth.

Would the minister not agree that to restrict or to hold back GST rebates to our educational institutions will ultimately transfer their cash flow problems on to the backs of the students of this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think hon. member listened to the answer I gave. She wrote that question before I gave the answer.

• (1500)

However, the point I want to make to her is that we are very much committed by the principle that we have established of not adding to the sales tax burden of this particular sector, so that what she is saying right now is incorrect. We are not doing this in a way that will transfer the burden to the students, because the burden will not be increased.

Oral Questions

EXTERNAL AFFAIRS

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is addressed to the Prime Minister who has in the past taken an interest in the topic of my question.

On the eve of a very critical session of the South African Parliament, South Africa is once again in turmoil because of a visit of British cricketers. Renewed demonstrations have taken place and the demonstrators have been confronted with violent and brutal activity on the part of the police because of concern about the potential release of Nelson Mandela.

My questions to the Prime Minister are the following. What representations has the Canadian government made with respect to these developments? What action does the government propose to take if there is a failure on the part of President de Klerk to announce specific action, such as the release of Nelson Mandela, and establish the conditions for appropriate negotiations to progress in the ending of apartheid?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as my hon. friend knows, the Commonwealth Declaration put forth in October of 1985 was the basis on which the Commonwealth and other nations took actions against apartheid, involving as well a call for the release of Nelson Mandela. That appears now, after some period of time, to be imminent.

Events of the last number of days have been very troubling because they indicate that President de Klerk might have another agenda in mind. The government of Canada has communicated not only directly with the government of South Africa, but with appropriate leaders of the members of the ANC, both in South Africa and outside, including leaders of frontline states, in respect of developments. We have received communications in response and I will be happy to keep my hon. friend apprised as developments unfold.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, is the government prepared to indicate a specific deadline beyond which the Canadian government would impose additional sanctions? For example, would the government be prepared to respond to complaints from the Black United Front of Nova Scotia that the importation of T-shirts from South Africa constitutes an insult to the black community and impose, at least, a ban on the further importation of those T-shirts

and other manufactured clothing goods from South Africa?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government has taken just about every conceivable sanction possible in respect of South Africa, but as the Secretary of State for External Affairs indicated in Langkawi, reflected in the Commonwealth Langkawi Declaration we are, of course, ready to do more.

As my hon. friend will remember, I indicated to the United Nations that we were ready to impose comprehensive sanctions and to break off relations completely. We were persuaded by leaders of friendly nations in Southern Africa that the events had been brought to such a head in the spring, that worth-while developments were anticipated in the autumn and indeed that has, in large measure, come to pass. We are monitoring it extremely carefully.

While in Kuala Lumpur, the Secretary of State for External Affairs and I met with the heads of governments of the frontline states together with some leaders of the ANC who visited with us. They are extremely supportive of the action that Canada has taken now over some four or five years, appreciative of the leadership that Canada and the Parliament of Canada has manifested, and encouraged as well by our indication that should there be a relapse in the progress taking place that the Parliament of Canada and the government of Canada stand ready to take further action to bring about justice and the abolition of apartheid in South Africa.

Mr. Speaker: A final single question from the hon. member for Scarborough—Rouge River.

* * *

AIR-INDIA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, in the absence of the Solicitor General I will direct my question to the Prime Minister.

The Air-India bombing took place over four and a half years ago and hundreds of Canadians were victims and suffered losses as a result of that crime. To date, there has been no public resolution of that crime and a delay of this magnitude constitutes a real affront to the Canadian victims of that crime.

The Solicitor General has to take responsibility for law enforcement delivery mechanisms in this country, and five years is too long. I want to know, and the families of the victims want to know, when will the investigation be completed and when will we have a public commission of inquiry into this matter?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Solicitor General, I am sure the House is aware that the government takes this to be a very serious matter. That investigation is ongoing, and as soon as we have results which can be made public, they will be made public.

* * *

MOTION TO ADJOURN UNDER S. O. 52

REPORT ON CONVICTION OF DONALD MARSHALL

Mr. Speaker: I must bring to the attention of the House that on another occasion I received an application from the hon. member for York Centre under Standing Order 52 asking that I adjourn the House for the purpose of discussing a specific and important matter related to the report of the royal commission on the Donald Marshall case. The hon. member has given his statement to the House. I have given it, of course, serious consideration. It is a serious matter but I think it can be dealt with, at least at the moment, in another way and it would not be appropriate to proceed at this time. I thank the hon. member.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table, in both official languages, a number of Order in Council appointments which were made by the government. Pursuant to the provisions of Standing Order

110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

Also, Mr. Speaker, I move:

That the House do now proceed to Orders of the Day.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 181*)

YEAS

Members

Anderson
Attewell
Bertrand
Bjornson
Blais
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Chadwick
Charest
Clifford
Collins
Corbeil
Côté
DeBlois
Della Noce
Domm
Epp
Feltham
Fontaine
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horning
Hughes
Jelinek
Kempling
Landry
Larrivée
Leblanc (Longueuil)
Lopez
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
Atkinson
Belsher
Bird
Blackburn (Jonquière)
Blenkarn
Bourgault
Brightwell
Campbell (Vancouver Centre)
Champagne (Champlain)
Chartrand
Cole
Cook
Corbett
Crosby (Halifax West)
de Cotret
Dobbie
Edwards
Fee
Ferland
Friesen
Gibeau
Guilbault
Halliday
Hawkes
Hockin
Holtmann
Hudon
Jacques
Jourdenais
Koury
Langlois
Layton
Lewis
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
Monteith
Nowlan
Plourde
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Tardif
Thacker
Thorkelson
Tremblay (Québec-Est)
Van de Walle
Venne
Vincent
Wenman
Wilbee
Assiniboia)
Winegard
Nicholson
Oberle
Porter
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vankoughnet
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—121

NAYS

Members

Althouse
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Bevilacqua
Blackburn (Brant)
Callbeck
Clancy
Finestone
Flis
Fulton
Gauthier
Grey (Beaver River)
Harb
Heap
Hovdebo
Keyes
Kristiansen
LeBlanc (Cape Breton Highlands—Canso)
MacDonald (Dartmouth)
Maheu
Marleau
Milliken
Nault
Peterson
Prud'homme
Robichaud
Rocheleau
Stewart
Tobin
Walker
Wood
Young (Beaches —Woodbine)—65
Angus
Assad
Bélair
Berger
Black
Boudria
Catterall
Crawford
Fisher
Foster
Gagliano
Gray (Windsor West)
Guarnieri
Harvard
Hopkins
Kaplan
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Lee
MacLaren
Marchi
McGuire
Mills
Pagtakhan
Pickard
Rideout
Robinson
Rompkey
Stupich
Waddell
Whittaker
Young (Gloucester)

• (1550)

The Acting Speaker (Mrs. Champagne): I declare the motion carried. Orders of the day.

On a point of order, the hon. member for Kamloops.

Mr. Riis: Madam Speaker, I was inadvertently delayed, but for the record I want to indicate that had I been here for the vote I certainly would have voted against the

government, against anything to do with the imposition of the goods and services tax.

Mr. Harvey (Edmonton East): Madam Speaker, I just wish to note that I was unable to make it into the Chamber for the vote. However, had I been able, absolutely I would have voted against any co-operation with this government and its misguided goods and services tax.

Mr. Peterson: Madam Speaker, on a point of order, I was in the House, I did fulfil my parliamentary responsibility to be here, and I did vote against these measures on the GST.

Mr. McCurdy: Madam Speaker, on a point of order, regrettably I was unable to be in the House at the time of the previous vote because we were busily engaged in deliberations on how we can continue the fight on the GST.

Mr. McDermid: You were out standing in the lobby, you phoney.

Mr. McCurdy: Had I been in the chamber, I would most unambiguously voted with my colleagues against the motion.

Mr Rodriguez: Madam Speaker, on a point of order, I was inadvertently delayed in planning a strategy to try and derail this government's GST tax. Unfortunately, I could not be here. But if I had been here I would have voted against this attempt to hijack Parliament which is what the Conservative government is doing.

Ms. Hunter: Madam Speaker, on a point of order, I was delayed from registering my vote, but I think that our position in this party is unambiguous in opposition to the goods and services tax and I wish to register that my vote would have been against the government.

The Acting Speaker (Mrs. Champagne): I thank the hon. member for making her point but I do not think we should get into debate right now.

Mr. Skelly (Comox—Alberni): Madam Speaker, on a point of order, I was unable to attend at the vote, but had I been able to attend I would have voted solidly against this government and its GST policy.

The Acting Speaker (Mrs. Champagne): The hon. member for Esquimalt—Juan de Fuca.

Mr. Riis: Point of order.

The Acting Speaker (Mrs. Champagne): I have recognized the hon. member for Esquimalt—Juan de Fuca on a point of order. Is that not why you rose? The other member is now relinquishing being recognized. I will now recognize the hon. member for Kamloops.

Mr. Riis: Madam Speaker, I want to move:

That the hon. member for Kootenay East be now heard.

The Acting Speaker (Mrs. Champagne): Unfortunately the motion moved by the hon. member for Kamloops is not receivable.

The member can move a point of order that another member be heard but only while we are in debate. We are not at this time. I refer the hon. member to a decision made by the Speaker on November 7, 1986 when such a motion was refused, as I will have to refuse it right now.

Mr. Hicks: Madam Speaker, at this time of great co-operation in the House, I wonder if I could seek the unanimous consent of the House to table the eleventh report of the Canadian NATO Parliamentary Association?

Some hon. Members: No.

The Acting Speaker (Mrs. Champagne): Obviously there is not unanimous consent for the hon. member to present his report.

Mr. Flis: Madam Speaker, notwithstanding the obstructive tactics of the government and the NDP, I seek unanimous consent to table petitions on the GST.

Some hon. Members: No.

The Acting Speaker (Mrs. Champagne): I think the hon. member knows that he can file this petition with the clerks at this time.

Mr. Barrett: Madam Speaker, I am sorry that I was late but I welcome this opportunity to inform this House and all Canadians who are interested in this issue that I would have voted against this move by the government to rob the people of Canada of their hard-earned earnings. I say this is an opportunity—

The Acting Speaker (Mrs. Champagne): The hon. member has made his point.

Mr. Parker: Madam Speaker, I was advised yesterday that there would be an in camera meeting of the steering committee with regard to the RRSP program. I was delayed for the vote and I want to express my desire that

had I been here I would have voted against this legislation in the very strongest terms.

If I may, Madam Speaker, I would like to bring up a question of privilege at this time. Yesterday, I got up in this House on a point of order. I was not recognized while all other members were being recognized. Finally the Speaker ruled that that would be all that would be debated on that issue. I feel that I have been neglected and have not been given my opportunity to speak. I would like to know why I am not being recognized in this House.

Mr. Rodriguez: Madam Speaker, I rise on a question of privilege. It is a very important one. I received back from the legal clerk of the House my private members' bill which I entered to be on the Order Paper and I wanted to enter it today in the House so it could be in the draw which takes place tomorrow.

This government has been using the tactic of moving to Orders of the Day, which does not permit a member to introduce his bill into the House so it can be eligible for the draw. I have two very important bills. One deals with bank service charges, which is extremely important to consumers of Canada, and the other one deals with class actions. If there is ever protection that consumers need, it is certainly through a class action process. Surely, it is part of the privileges of members of Parliament to enter their bills so that they can participate in the democratic process.

• (1600)

What has happened is that this government—

The Acting Speaker (Mrs. Champagne): Order. I would like to remind the hon. member that it was the unanimous consent of the House yesterday to postpone drawings of private members' bills. Henceforth, I would imagine that the hon. member will have another opportunity to present his bill. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, January 30, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7569).

Mr. René Soetens (Ontario): Madam Speaker, I would like to—

Mr. Karpoff: On a point of order, Madam Speaker. I want to inform the House that I was delayed in coming in for the vote. I want to inform the House that I certainly would have been expressing my opposition to the motion proposed by the Tory government. It is too bad that so many Tories not here to hear how strongly Canada opposes this—

The Acting Speaker (Mrs. Champagne): Resuming debate with the hon. member for Ontario.

Mr. Soetens: Madam Speaker, I would like to continue the debate that I was involved in rather extensively yesterday.

Mr. Harvey: On a point of order, Madam Speaker. I was most taken with the remarks made by the hon. member for Kootenay East a little while ago. I would like, therefore, to move that the member for Kootenay East be now heard.

The Acting Speaker (Mrs. Champagne): In order for this motion to be acceptable, the member for Kootenay East would have had to be rising and seeking the floor, which he was not. As well, it would have had to be moved before the hon. member for Ontario had started to speak, and the hon. member already had the floor. The floor belongs to the hon. member for Ontario.

Mr. Soetens: Thank you, Madam Speaker. It is a pleasure for me to return to this debate. I was involved in it extensively yesterday. I know that at the end of the

sitting yesterday, members of the NDP rose to challenge some of the comments I was making. I guess they did not like to hear all the positive things about the GST. I note today that there was an extensive effort to delay my presentation somewhat, but I am pleased to carry on with it at this point.

Yesterday I spent a considerable amount of time talking about the need for the elimination of the existing federal sales tax. I quoted some very interesting presentations made by witnesses who appeared in front of the finance committee. Some of those people who, of course, are not supporters of the party that I represent, made some excellent presentations as to why the manufacturers' sales tax should be eliminated.

I realize that caused some concern, but the problem I think is the concern existing within one of the parties that the people who supported the elimination of the federal sales tax are their supporters. I note in the finance committee report that did come forward, even the NDP did not want to eliminate totally the manufacturers' sales tax, a tax that has been very detrimental to many of their clientele.

What I would like to do, Madam Speaker, for your information, is carry on with some of the things that did happen during the hearings on the goods and services tax and some of the questions that were asked, so that maybe we can clarify a little further for Canadians just what will happen when the GST is implemented.

The member for Yorkton—Melville repeatedly during the hearings asked questions of witnesses as to what would happen when the manufacturers' sales tax was eliminated. Would those companies in fact reduce their prices?

I would like to quote a very direct question that the member asked of Mr. Snyder, the Canadian Appliance Manufacturers Association representative. The member for Yorkton—Melville asked:

> Is there a possibility you may keep some of the existing FST?

The answer was:

> I would doubt it. I think if you look at the history of the appliance business over the past 20 years, our prices in real terms have declined 65 per cent. I think we offer one of the best consumer values around today. So I would say that those competitive pressures will continue. I do not see any change as a result of the tax.

You do not hear it expressed too often by members of the opposition that in fact there will be some savings passed on to consumers.

When he was pressed a little further to comment on that by the same member, he came back with a further comment. He said:

> I believe in our industry the competitive nature is such that if there is a cost reduction as a result of the GST it will end up in the consumer's hands. It is as simple as that.

I realize that it is not popular for those who oppose this implementation of the GST to talk about those areas where in fact consumers will benefit, but there are many of them.

On another occasion when we had a witness in front of the finance committee, the same member asked of the representative of the Canadian Federation of Farm Equipment Dealers just what would happen. Mr. Hills who was speaking on behalf of the dealers association replied with this comment:

> In a piece of equipment with a 13.5 per cent current federal sales tax rolled in, when that 13.5 is removed, our customer will see a direct benefit by the reduction. If that effects a $10 reduction, we will probably reduce our price by $11—it is that competitive.

I realize again that is not something that the people in opposition to the tax want to talk about, where in fact there will be savings.

Not only did that group comment that there would be savings in their industry but they also commented in conjunction with the Canadian Farm and Industrial Equipment Institute on the whole concept of the goods and services tax. Mr. Frank Pickersgill, director, on October 23 in front of the finance committee, said:

> We do not like the existing tax system. As manufacturers, we find it difficult and we do not like it. Conceptually, a value-added tax like the GST to a manufacturer has some attraction.

The same thing was said by the vice-chairman of the Canadian Appliance Manufacturers Association. I quote his comments made on October 23:

> The Canadian appliance industry believes that the proposed GST is a positive move towards the establishment of a fairer and more equitable taxation. It is a vast improvement on the current FST, a tax we have opposed.

Of course, it is a tax that both opposition parties in this House would just like to hire a bunch of bureaucrats to do a study on, but we have made some very clear

decisions. There are businesses and industries out there that are very supportive of it.

Yesterday we had an interjection during my presentation from a member from northern Ontario who has a considerable representation of people active in the primary industry, particularly the mining industry. I thought he would go back to his riding and discuss with people in the mining industry exactly what they think. Here is what they said in front of the finance committee.

This is the Mining Association of Canada, and Mr. George Miller, its president, appeared on October 16. I would like to quote what he said:

> Our brief mentions that the industry supports the replacement of the present manufacturers' sales tax by the goods and services tax. We have a number of reasons for that which are covered in the brief, but basically they boil down to the fact that we think it is good tax policy. It eliminates a tax which has many faults—The big benefit from the replacement of the present tax is that it will help to make Canadian exporters more competitive and will help us to survive in the bad times—

I would have thought that members who have a lot of mining constituents in their riding would be interested in making sure that jobs were secure. That is what we are doing with the goods and services tax. We are securing jobs for Canadians throughout Canada.

I should point out that I do not have an appliance manufacturer in my riding. I do not have any mines in my riding, nor do I have any agricultural implement manufacturers in my riding. What I am talking about are benefits that are being spread across Canada and that is really what this GST legislation will do. It will help Canada extensively.

We do have some advanced technology groups that will also benefit. I would just like to mention exactly what these people said on October 16 in front of the Standing Committee on Finance hearings. Mr. Roy Woodbridge, president of the association, appeared and made the following statement:

> With respect to the goods and services tax, we are philosophically attracted to the concept. It is certainly an improvement over the existing federal sales tax system. It eliminates biases in imports that have harmed Canadian advance technology industries in the past, particularly in the computer field—I think, Mr. Chairman, if I could I would like to respond to that because we have been tracking this goods and services tax since the early days when tax reform was first tabled as a concept. We have run workshops, seminars, we have had individual company visits, we have had questionnaires out to our membership and I can tell you pretty categorically that if you have got a roomful of our members and ask them how many regard—take the good and bad altogether—how many are in favour of this? You would have about 98 per cent of them raising their hands being in favour.

• (1610)

We do not hear that from those in opposition. We do not hear them saying that there are industries throughout Canada that are very positive and supportive of what we are doing. It is industry that creates jobs. That is what we are talking about.

There is another group, the Canadian Farm and Industrial Equipment Institute, and its comment is:

> While we are philosophically opposed to increases in taxation, as an institute we recognize that a consumption tax is preferable to the existing federal sales tax.

The list goes on rather extensively of people who have come out publicly in support of this legislation. I find it disturbing that in all of the rhetoric that is used by the opposition, they do not seem to mention that their constituents, the people who employ their constituents, are so tremendously in favour of the goods and services tax.

I have an article that was published in *The Windsor Star* this past week. Windsor is not known for the number of Tory members that it has sitting in the House of Commons today. I thought this would be a rather interesting article. It is dated January 23 and is rather extensive, dealing with a number of issues. I quote from that article the paragraph dealing with the GST:

> On the GST, I find it difficult to understand not only Henderson but CWA leaders like Gary Parent and others fighting the removal of the 13.5 per cent federal sales tax. Why should the workers of our manufacturing industry carry the burden of this tax on their shoulders? Why not lower the tax to seven per cent and let those who make a living off the people who work in manufacturing industries share the burden. Windsor is a manufacturing town and lower prices on manufactured goods will benefit everyone in Windsor—yes, even the restaurants.

I do not represent Windsor. My riding is not anywhere near Windsor, but I can tell you that the same attitude prevails in my riding and I would hazard to say that on the recent occasion when I visited the riding of Oshawa, there were many people saying the same thing: why should the manufacturing sector of Oshawa carry the burden for the rest of Canada? There is absolutely no reason why it should.

The Canadian Chamber of Commerce, in its submission to the finance committee came out with the statement:

> We do not favour the maintenance of the current manufacturers' sales tax. Its serious flaws have been well documented and need not be repeated here; and we do support the concept of a value added tax as a vehicle that could serve as a best replacement mechanism.

The reason I mention that is because the Chamber of Commerce, along with other business groups, has really been in favour of the concept of a value-added tax like the goods and services tax. Some of them have been saying, however, broaden the base and get rid of some of the exemptions. I know that there are members in this House who have some sympathy for that. Fortunately, the government in its wisdom has decided that food, basic groceries in grocery stores, should not be taxed.

I support that theory but there are members in this House who do not support that theory. I would like to quote what one of them had to say on May 11, 1989. It is recorded in *Hansard* and speaking is the hon. member for Nanaimo—Cowichan, not a Conservative, I should point out. I quote:

> I urge the government to correct the discrepancies by providing a larger tax credit for the poorest people in the community.

He goes on to talk about the reasons for it:

> It is easy to identify them, to know how much income they are getting and how much they are spending. It would be much easier to determine the size of the credit they should receive. Exemptions would only make the process much more difficult.

He also said that exemptions will not make it more fair, exemptions will make the tax much more difficult to administer, exemptions will be of greater benefit to those who have more money than to those who have less money.

This is a presentation by an NDP member of this House. Here we have the Chamber of Commerce and the NDP saying there should not be any exemptions and yet the Conservatives showing at least that they have some heart and that they do care for low and moderate-income Canadians, first by not taxing the basic food commodities that they need and second, by providing them with a very enriched tax credit to make sure that they are in fact able to overcome the added cost of the tax in some of those areas where they are affected.

The distribution of the tax, of course, goes to Canadians in need. I have seen some reports dealing extensively with just who does get the benefit of the federal sales tax credits. In fact, 64 per cent of Canadian families will receive the benefit of a sales tax credit commencing in 1991. If they file their returns this year, they will receive their first cheque in December 1990.

It is significant that 64 per cent get the credit. It is even more significant that in those parts of Canada where the assistance is most needed, families will get a sales tax credit. For example, in those parts of Canada where some of the opposition members seems so intent on stirring the opposition they do not mention to the people of Newfoundland that 85 per cent of Newfoundland families will be getting a sales tax credit. They do not mention in Prince Edward Island that 78 per cent of Prince Edward Island families will be getting the sales tax credit. I have not heard them mention in Nova Scotia that 74 per cent will receive the sales tax credit.

As you can see, I could go on with a whole series of issues. At this point, my time is really wrapping up. Very clearly, this is excellent legislation and I think it is time the opposition started telling everyone the facts, rather than what they are saying.

Mr. Lewis: Madam Speaker, I rise on a point of order. I wish to advise the House that tomorrow will be an allotted day.

The Acting Speaker (Mrs. Champagne): Questions or comments. The hon. member for Windsor—St. Clair.

Mr. McCurdy: Madam Speaker, I was up in my office when the member for Ontario had the unmitigated nerve to mention Windsor in the same breath as the GST, citing in support of his argument *The Windsor Star*, which criticized the president of the local labour council, Gary Parent, and Gord Henderson, one of the most popular columnists in *The Windsor Star*, on the basis that that would support the notion that people in Windsor somehow had gone completely crazy and have now switched sides and are supporting the GST.

I have in my office between 8,000 and 9,000 protests against the GST that were gathered within the city within a matter of 10 days in response to an ad in the newspaper placed by a group of people who in other

jurisidictions would be stupid enough to be Conservatives. There is a good reason for this.

In the city of Windsor, all one has to do is go up and down Ouellette Avenue, a reminder of the historic French connection of the city of Windsor, and one will see a great many restaurants and stores which are closed because they no longer have the significant American clientele that they previously had, primarily because of the increase in the value of the dollar. But every one of them anticipate that with the introduction of the GST, there will be a further erosion of the attractiveness of Windsor as a place where Americans will shop and entertain themselves.

If one stands at the entrance of the Detroit—Windsor tunnel or if one stands at the entrance to the Ambassador Bridge on the weekend, one will see thousands of Canadians going across the river to make their purchases. Because our dollar is so high in its value in equivalence to the American dollar people can save a great deal of money going across the river. Many Canadians are losing business. Now they have to anticipate the GST.

I would tell the member for Ontario that in Windsor 80 per cent of the population is against this tax because they understand this tax. I myself am involved in a coalition with labour and most of the significant business leaders in Windsor in opposition to this Conservative inequity. To have the member for Ontario stand up in this House and suggest on the basis of an editorial from *The Windsor Star* that somehow we have seen the light that would have us enter into hell and support this GST is to abuse this House and abuse the truth in a fashion that is beyond toleration.

• (1620)

Mr. Soetens: Madam Speaker, it really is a pleasure to see that there are some members in Windsor who understand that manufacturing is important to them. Unfortunately, it is not the members who have been elected to serve in this House because I have just listened to that rhetoric.

My riding is right beside Oshawa, and Oshawa has a very heavy automotive presence much like Windsor. I can tell you that in my constituency, they understand the benefit that the manufacturers will gain out of the elimination of the federal sales tax. They understand that the price of automobiles in Canada will come down because of the elimination of the federal sales tax. They understand that when the price of cars comes down in Canada, more jobs are created in Canada.

I find it disturbing that members here in this House do not fully understand that. And because someone in Windsor has seen the light, I guess all I would encourage this member to do is to read the article. It states very clearly:

> On the GST—Why should the workers of our manufacturing industry carry the burden of this tax on their shoulders? Why not lower the tax to seven per cent and let those who make a living off the people who work in manufacturing industries share the burden.

I think it is time that you people from Windsor got with it and let the manufacturing sector in this country do what it is supposed to be doing.

Mr. Althouse: Madam Speaker, I wonder if the hon. member for Ontario would just go over his argument once again please.

It seems to me that he has just told us that the manufacturing sector in Windsor will be a beneficiary of the sales tax. I cannot understand how that will happen unless it raises its prices.

By the time that new car gets out to my particular part of the country—we have had automobile dealers work out the actual figures, if they take the same mark-up for handling and selling that automobile that they are used to—the price to the consumer stays exactly the same if the manufacturer does not increase his price. So if the manufacturer does not raise his price as the car leaves the factory, how is he going to be better off? If the consumer in my part of Canada has to pay at least as much for the car under GST as under the manufacturers' sales tax, why will there be more customers and where will there be more customers? How can they be better off if the price stays the same and the demand stays virtually the same?

Mr. Soetens: Madam Speaker, I would be happy to answer that. In fact, we had lots of witnesses appear in front of the finance committee representing Canadian automobile dealers and they very clearly talked about the reduction in the price of cars. Those dealers do not represent just dealers in Oshawa or in my constituency of Ontario, they represent dealers across Canada. Simply put, the price of a car leaving the plant will have only a 7

per cent tax on it versus 13.5 per cent. In any mathematical system that is a 6.5 per cent improvement.

Of course, that sales tax is an input tax credit so that the dealer does not have to pass it on to his customer. The net result is that that car being sold out of the showroom—I am sorry, but I do not know the member's riding but I think it is in western Canada—will sell for less in western Canada than it does today. When they can sell more cars because the price is lower, they will employ more people in Windsor because they will be producing more cars because the product is cheaper. It is a very simple economic system. Actually first-year university students taking Economics 101 will tell you exactly how it works.

Mr. Fisher: Madam Speaker, what the member from somewhere in Ontario just said highlights precisely the problem that we have with this tax. He says that if you take the manufacturers' sales tax and put it beside the GST, then it all comes out the same. The fact of the matter is if you put the calculator to it, it does not. To simply do the calculation of the GST, it is not a saving. It comes out precisely, as the member for Mackenzie said previously, to be the same.

I would suggest that the member take that lesson to heart and see the perpetrator of this piece of legislation and point out to him that all these good things he is saying about it are not true.

It is shameful that he should stand up and say what he has about it in an attempt to make the public think that there is somehow a saving by going from this 13.5 per cent down to 7 per cent. The fact of the matter is that it is precisely the same thing and there are no savings.

The member talks about implements. It may be an advantage, and I presume if you work it out with a calculator it comes out precisely the same for the tractor as well, but it will result in the western Canadian farmer always having to beg with the federal government.

While it is true that he gets a rebate from the GST it is also true that he has to apply for it. It has certainly become evident over the last while that the government is not exactly swift in returning the moneys which the government owes him. Those farmers are going to have to sit, not for weeks, but for months while the government returns the rebate on the GST after they had to pay for it up front. This is in spite of the fact that they have asked that that not be the case, that they not be charged at the time of purchase.

Mr. Soetens: Madam Speaker, I am glad that my children will not have an opportunity to learn math from the hon. member who just spoke. Let me quote just one final comment that I think is very appropriate because *The Toronto Star* said it and *The Toronto Star* invariably must be right on this one issue:

> The new tax will mean a better allocation of resources, greater investment and more competitive exports—.The new goods and services tax should eliminate most inefficiencies caused by these often arbitrary arrangements—

That is referring to the items in the federal sales tax.

Again, I hope the members have learned something. Now they can go back to their ridings and tell their constituents about all the good things in the GST rather than what they are saying.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, in speaking to Bill C-62 I cannot help but recall back when we were travelling with the finance committee in Winnipeg. Perhaps this is a story the finance minister should pay attention to because his sleight-of-hand has been recognized all across Canada for what it is.

When we got on the bus leaving the air force base to go in to hold the hearings in Winnipeg, one of the young officers who was seeing us off the base asked if he could ask the finance committee one question. That one question was this: "Is Mr. Wilson a poker player? Is he giving us 9 per cent and in fact we are going to get 7?"

I would suggest to the Minister of Finance that this has been a plan of this government all along. Threaten to throw the people of Canada to the sharks, but in fact feed them a little bit to the piranhas. One way or the other the people of Canada will be consumed by this dreadful tax that is being proposed by the government.

During our travel across Canada many things became apparent. This goods and service tax was a tax that everybody was against. Nobody who spoke or put a submission in to the finance committee supported the goods and service in the form that it was presented. This included many people, business people, tourism operators, seniors, fishermen, fisherwomen, women, low income earners, the list goes on and on. Nobody likes the goods and services tax. It simply is not a good tax. One thing that became more and more focused as I went across Canada with the finance committee was that the 48 countries which have value-added tax are small,

homogeneous countries with very few regional disparities. However, Canada is a large country. Even within each of the provinces there are huge economic disparities.

• (1630)

I would like to talk for a minute about how this tax will affect the territories. In particular we spoke with members of the Conservative Government of the Northwest Territories. They talked about their service sector providing 75 per cent to 80 per cent of the employment. It is the service sector that will be hit hardest by this tax.

They talked about the economic characteristics of the north which indicate a high operating cost for building materials and for labour. This will be shown in a cascading effect in the retail price. Those members said that the GST would have a negative impact on the machinery in the resource industry because it is already now exempt.

I think that is something that has not been taken into consideration by the last member who spoke or many of the other members. The resource industry is exempt, as is the farm industry. This puts in another level.

They also told us that increased profits to the resource sector may be a fact in some way. But they said that the money gained will not remain in the Northwest Territories because all corporations which have mines up there are multinationals with their head offices offshore or out of the country. The money will be channelled elsewhere for other development and not left in the Northwest Territories where it would be of benefit.

They said that in the short run there might be some benefit to the resource sector but that over all it will have a very negative impact on the Northwest Territories. It will hurt the tourism business. It will hurt small business.

They pointed out exactly what I pointed out earlier about the regional inequities. They said that the current manufacturer's sales tax is at least the same across Canada at source from the manufacturer, but the goods and services tax creates an inequity in each of the regions.

They point out that on average the prices are some 44 per cent higher in the Northwest Territories, with some prices going as much as 120 per cent higher. They showed us figures which indicated that in places such as Iqualuit, Baffin Island, those prices were 224 per cent higher. In Pelly Bay in the Arctic Circle those prices were 234 per cent higher.

The people of this country should know that where prices are higher the residents are paying the tax on that higher price. The good that costs $1 in Montreal costs $2.34 in Pelly Bay. One pays 7 per cent tax on $2.34 instead of on $1.

Is that fair? I suggest that it is not. It is totally inequitable. It is hurting those who already have not. It is increasingly ensuring that the rich get richer and the poor get poorer. It is putting the heel on the poor and those who are trying to develop our regions while struggling to make a living. That is one reason that I as a member of the New Democratic Party suggest to you, Madam Speaker, that this goods and services tax will not and cannot work for Canada.

I spoke to three senators from Australia a couple of months ago. They were astounded that Canada would even be looking at a value-added tax system, given the experience that they saw next door in New Zealand and the problems with economic disparities and inequalities within a country the size of Australia. They pointed out, and needed not to say it, that Canada was certainly much larger than Australia.

In the Northwest Territories they also point out that the costs of fuel, electricity and air transportation, which will all be taxed under the goods and services tax, are much higher. The people in the Northwest and Yukon Territories depend upon air transportation to get back and forth between their communities, and now they will be taxed on that. In many cases it is the only method of transportation.

A member of the Chamber of Commerce from Iqualuit appeared before the finance committee in Yellowknife. He had flown in from Iqualuit the day before. It cost him something in the area of $1,500 to fly there and back in order to make his submission. This is a small example of the costs.

If we add 7 per cent to that $1,500, we get an idea of some of the regional disparities we are seeing, not just in the Northwest Territories and the Yukon Territory but within each one of our provinces. In some of the Atlantic provinces such as Newfoundland, which are fairly small in comparison to some of the others, there are major regional disparities. All these people will be hit with that 7 per cent tax.

I would like to turn away from the Northwest Territories for a moment and consider the south of Canada. I happen to live in the riding of Okanagan—Similkameen—Merritt and in the boundary country, most of which borders on the United States border. Osoyoos, Midway, Grand Forks and Christina Lake all have border crossings. There is a border crossing in Costan. These areas are all open to the American economy. There is a lot of back and forth as a result.

The Economic Development Corporation of Osoyoos and Area made a submission before the finance committee on September 15. I would like to quote from this to show the effect not just on the communities in my riding but, I suggest, on all small communities and larger communities across Canada that are anywhere within 200 miles of the U.S. border. The submission states:

> Clearly, then, one of the major concerns EDCOA has regarding the GST is the impact it may have on the purchasing behaviour of consumers in our community. It is this organization's hypothesis that the GST will significantly encourage residents to shop in the United States, therefore, significantly hurting local retail businesses and the economy.
>
> This organization believes that the likely scenario for the Osoyoos area, and more generally the whole Okanagan Valley for at least all of 1991, is a significant and damaging increase in the volume of consumers shopping in the U.S.

The Economic Development Corporation goes on to point out that it believes that in Osoyoos the tourism industry will suffer because of the perception created by the goods and services tax of Canada being too expensive to visit. Even with a rebate plan the tourist will tend to eliminate the destination before even finding out about the rebate provision. Further, the inconvenience of bookkeeping while on vacation may dissuade the tourist from seeking the rebate and engender a negative image of our country. This may decrease the possibility of a return visit and of the tourist communicating positive feelings of our country to others in his home community.

In closing they say that the Economic Development Corporation of Osoyoos and area can report to the standing committee that there is a growing dissatisfaction with the implications of this proposed tax in the Osoyoos area.

The Economic Development Corporation in that small community is working hard to try to get some industry going and some things happening within that community. They look at a future with problems as a result of both the free trade agreement and the goods and services tax in trying to encourage companies and corporations to come in and set up businesses in that small community.

• (1640)

They are not alone in their fears. A constituent in Penticton writes as follows:

> Of course, as necessary, but let's have taxes that are fair, not ones that assist the richer element of our society to get even richer at the sole expense of all the rest of us. There is absolutely no justification whatever for the Mulroney tax grab scheme.

I have a letter from Penticton, from a Joyce Armstrong, president of the New Horizon Committee of the B.C. Square Dance Jamboree. She states as follows:

> We all agree that the national deficit must be reduced but this is not the way. Why must it always be the middle or average wage earner, pensioner and poor young people who pay? Many of the young people I talked with had some very good ideas and the seniors are not without opinions. Tell Mr. Wilson not to count us out. We're not dead yet and still have a vote.

That is a caution to this government. Pay attention to what the people of Canada want, or you will not be sitting there after the next election.

I have a further letter from the very town I was earlier talking about, Osoyoos. One Norman Arnold writes about the Prime Minister as follows:

> He forgets when he hurts the little people that he is hurting about two–thirds of the voting power of Canada, because there are more of them than there are millionaires.
>
> When he hires 4,000 more employees to staff the offices to run the GST for him, does he realize he will have an additional payroll of about 2M per month or more? How much of this foolishness is going to come out of the GST? In one year alone is he going to reduce the national debt, going at it this way?

A resident of Summerland states her opposition and says that a letter to the editor from one Jack Phillips in the Summerland *Review* expresses some of her feelings on the goods and services tax.

This gentleman wrote:

> Just raise the income tax rates enough to raise the necessary additional amount. Yes, I can hear the screams of indignant rage already, but raising the extra taxes through income taxes has certain advantages; the income tax system is already in place and will require no additional federal employees since it is largely assessed and remitted by taxpayers themselves. It has already been adjusted to reduce the burden on low income taxpayers and is directly apportioned to one's ability to pay.

That is a suggestion from a person within the riding of Okanagan—Similkameen—Merritt.

We are not without options. The finance committee minority report of the New Democratic Party has put forward some very good options to study a system that would be more suitable and fairer to all Canadians.

The first step would be to establish a royal commission, because for 25 years since the Carter commission we have not looked at the tax system in Canada and how it relates to the international market. That is what we should be looking at, not rushing headlong into some cockamamie idea this government has cooked up that because 48 other countries have it, it must be good and we should be using it. The reason that the government wants this goods and services tax is that it is a cash cow, an easy way to raise money.

The people of Canada know that even if this comes in at 7 per cent in 1991, if an election is held in 1992 and regardless of whether that party or the Liberal Party forms the government at that time, there will be an increase in the goods and services tax.

The only party that offers a proper alternative now or in 1992, I suggest, is the New Democratic Party. We have alternatives. We have set them out to the people of Canada in this minority report to the finance committee.

One of those alternatives in the short run, until we can get a full report of a royal commission, would be to roll back the manufacturers' sales tax which has apparently caused some hardships to our manufacturers and our exporters to 9 per cent, the 1984 rate that the Conservative government raised to 13.5 per cent.

Another would be to introduce a new refundable sales tax credit to compensate the poor for the burden that regressive consumption taxes have placed on them and to index the credit to the rate of inflation. It should be full indexation, not the partial indexation offered by this government. It is a regressive move. It continues the regressivity and the oppression of the poverty stricken of this country, which we and the majority of Canadians find unacceptable.

We also suggest that a green tax be imposed to gain money to reward those who use proper and environmentally clean goods and services.

I suggest to the people of Canada that they look at the New Democratic Party's alternatives. The Minister of Finance has recognized that there are alternatives today. Although he said that he does not agree with them, I think he should study them a little more carefully.

Let us be clear about what this House is debating. The government has moved that we agree in principle to a goods and services tax. The Liberals have amended that suggestion and proposed that we do not do it now but do it in six months' time.

In six months there will be a new Liberal leader and that party may have decided what is its policy. My guess is that the corporate backers of the Liberal Party and the corporate bag men of the various candidates will persuade the Liberals to accept the goods and services tax just like they now accept the trade deal.

The New Democrats want to kill the GST. In a few minutes I will move a motion which could do exactly that. I move pursuant to Standing Order 60:

> That this House do now adjourn.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Some hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the members.

The House divided on the motion, which was negatived on the following division:

Government Orders

(Division No. 182)

YEAS

Members

Althouse	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Barrett
Bélair	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Boudria	Butland
Caccia	Callbeck
Clancy	Crawford
Dingwall	Finestone
Fisher	Flis
Fontana	Foster
Fulton	Gagliano
Gauthier	Gray (Windsor West)
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacLaren
Maheu	McGuire
Mills	Murphy
Nault	Pagtakhan
Parker	Peterson
Pickard	Proud
Prud'homme	Rideout
Riis	Robichaud
Rompkey	Skelly (Comox—Alberni)
Stewart	Stupich
Taylor	Tobin
Waddell	Walker
Whittaker	Young (Beaches—Woodbine)—66

NAYS

Members

Anderson	Atkinson
Attewell	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blenkarn	Bouchard (Lac-Saint-Jean)
Bourgault	Brightwell
Browes	Campbell (Vancouver Centre)
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clifford
Cole	Collins
Corbeil	Corbett
Côté	Crosby (Halifax West)
DeBlois	Della Noce
Dick	Dobbie
Domm	Edwards
Epp	Fee
Feltham	Ferland
Fontaine	Friesen
Gérin	Gibeau
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hogue
Holtmann	Horning
Hudon	Hughes
Jacques	Jourdenais
Kempling	Koury
Landry	Langlois
Larrivée	Layton
Leblanc (Longueuil)	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Marin	Martin (Lincoln)
Masse	Mayer
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Monteith	Nicholson
Nowlan	Oberle
Plourde	Porter
Redway	Reid
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—118	

• (1730)

The Acting Speaker (Mrs. Champagne): I declare the motion lost. Resuming debate with the hon. member for Calgary West.

Mr. Jim Hawkes (Calgary West): Madam Speaker, on such short notice—

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Edmonton East.

Mr. Harvey (Edmonton East:) Madam Speaker, I believe that when the hon. member for Okanagan—Similkameen—Merritt moved his motion on which we have just now voted, he did so at the conclusion of his 20 minutes of remarks and thus there remains a 10 minute question and comment period on the hon. member's remarks.

Mr. Hawkes: Madam Speaker, I believe the hon. member concluded his speech with a motion which was non-debatable and immediately votable which I think took care of the remaining time. In any event, I was recognized for the commencement of debate. I think it is impossible to rescind that decision without unanimous consent of the House.

• (1735)

The Acting Speaker (Mrs. Champagne): The point of order put forward by the hon. member for Edmonton East leaves the Chair in quite a quandary.

When the hon. member for Okanagan—Similkameen—Merritt concluded his intervention to the House by proposing that the House do now adjourn, the Chair concluded that the hon. member certainly did not wish to continue debating. Henceforth, once the motion was

defeated, the Chair recognized another member. I think this is the way we should proceed.

Mr. Murphy: Madam Speaker, I rise on a point of order. I do not think it is a matter of whether or not the member has a right to speak any longer. I think it is a matter that the House has the right to ask him questions. It is not that he is being denied any privileges, it is that the members of the Conservative Party, members of the Liberal Party, and New Democrats who may want to ask questions of that member are being prevented.

Since the House has voted not to adjourn, I believe that we have the right to ask those questions and to challenge some of the assertions that that member made during debate.

Mr. Gray (Windsor West): Madam Speaker, I do not intend to show any disrespect for the Chair. I just want to make the point that, as far as the Liberals are concerned, we do not object to having the hon. member in question answer questions. We would be interested in the answers, even though we doubt if they will have any weight or substance.

If the House wishes to agree, we are not going to oppose that. Therefore, my hon. friend is wrong in saying that the Liberals are objecting to the House agreeing to allow the member to be asked questions.

Mr. Malone: Madam Speaker, I rise on a point of order. I would take that the Chair was offering to this House a ruling that you, as the Chair, were making for the benefit of the House. I think what is taking place at the present time is quite inappropriate because, in effect, it is a debate on your ruling.

Those who are familiar with the rules of the House of Commons would know that it is inappropriate to have any debate or discussion of a ruling once it has once been given by the Chair. I would presume that you should conclude any statement you have with respect to the ruling that you have given, and that the House ought to respect that ruling and we go forward from there.

Mr. Angus: Madam Speaker, just a question to you of clarification. It is my understanding that in your remarks in response to the point of order raised you used terminology that could be considered as tentative and not definitive. I am asking for clarification because I do not have *Hansard* immediately available to me to check the "blues".

Did you, in fact, hand down a ruling on the question, or did you just indicate that you were in a "quandary" that "you think" as opposed to this is the way it is going to be? I respectfully ask that you do clarify that for us.

• (1740)

Mr. Barrett: Madam Speaker, it is a fact that a motion to adjourn is always in order. If the motion is lost, the House automatically goes back to the business that preceded the motion. The member by rule loses his or her place in the debate once presenting the motion but the business of the House, after that motion is defeated, must go on as normally laid out. The next order of business is the 10 minutes following that member's speech. That is the way the rules should be.

The Acting Speaker (Mrs. Champagne): In answer to the hon. member for Thunder Bay—Atikokan, yes, I did start answering the hon. member by saying I was in a quandary following the hon. member for Edmonton East's request that we should proceed with a 10 minute question and comment period. Yes, I did say at that time that it was my feeling that the hon. member, by putting this motion forward in the House, was at that point expressing to the House his wish that the debate should not proceed any longer today.

At this point in time, I cannot think of a precedent under which I could explain or rationalize this ruling.

[*Translation*]

Consequently, I think the best thing to do in the circumstances is for the Chair to undertake to make inquiries and subsequently establish a precedent, because we have no precedent at this moment to which we can refer.

Consequently, I shall recognize the hon. member for Calgary West (Mr. Hawkes), so that we can resume debate. The hon. member has the floor.

[*English*]

Mr. Hawkes: Madam Speaker, it is a pleasure to take the floor once again—

The Acting Speaker (Mrs. Champagne): The hon. member for Kamloops.

Mr. Riis: Madam Speaker, on a short point of order, I must say that I reflected on an incident that occurred earlier this afternoon. While the vote was being taken I, being late for the vote, walked into the House of Commons during the vote count. I simply want to seek clarification from Madam Chair whether that is parliamentary practice, or whether that is unparliamentary, because nothing we do here would we want to be considered unparliamentary.

I am seeking clarification if the action that I carried out was in fact parliamentary, and whether it is acceptable behaviour.

Mr. Barrett: Madam Speaker, you place this House in a difficult situation. You are suggesting by your tentative, non-ruling that you are telling us that you will go and check it out and come back with an answer, but in the meantime the 10 minute question period is lost. I do not think that is adequate from the Chair and I will tell you why. We need a clear-cut ruling based on precedent right now. If it is necessary for the Chair to take a five-minute recess to get a ruling, I suggest that, rather than going on something tentative until we know what we are doing. I ask the Chair to take a recess and check it out.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The hon. member for Esquimalt—Juan de Fuca (Mr. Barrett) appears to attribute to the Chair a kind of innate knowledge it does not have.

The Chair felt that it was better not to create a precedent, and after so advising the House, the Chair decided to recognize the hon. member for Calgary West.

I can give the hon. member the assurance that once the results of our inquiries are known, if the debate is still in process, and those results prove that the hon. member for Okanagan—Similkameen—Merritt (Mr. Whittaker) should have the benefit of this ten-minute period for questions and comments, he will then be recognized, even if it is later on.

For the time being, I think the matter is closed, and I will again recognize the hon. member for Calgary West.

• (1745)

[*English*]

Mr. Hawkes: Madam Speaker, it is a pleasure to be able to begin—

The Acting Speaker (Mrs. Champagne): I have recognized the hon. member for Humber—St. Barbe—Baie Verte.

Mr. Tobin: Madam Speaker, I wanted to say to the Speaker that we on this side of the House do not like the GST. We are not always happy nor do we celebrate the rule of the Chair on any given day on any given issue. Frequently we are disappointed. But at the end of the day, having had a fair hearing, we expect that the rule of the Chair, whether we like it, celebrate it, or not, has to be upheld.

I would say to colleagues, whose view of the GST I share, that we have to be cautious in this place, beyond making our point, about challenging the authority of the Chair. I say this because I believe it is important. If members are to challenge the authority of the Chair, beyond making a strong case, then let it be a direct challenge. If not, let us be careful and respect the institution.

I go further, Madam Speaker. It is up to the Speaker to ensure that the integrity of the Chair is protected as well by not allowing silly challenges.

The Acting Speaker (Mrs. Champagne): The hon. member from Kamloops on a point of order.

Mr. Riis: Madam Speaker, I believe that your elaboration now in terms of a decision that will be forthcoming and if you find it appropriate, you will then see the hon. member for Okanagan—Similkameen-Merritt as having a 10-minute question and comment period is more than reasonable and we accept that, Madam Speaker.

However, I also would remind you of the point that I raised, simply to seek clarification. During the voting I entered the House of Commons, and I am simply requesting information—

Mr. Kempling: You did it on purpose.

Mr. Riis: I did it on purpose, Madam Speaker. If it is unparliamentary, then I certainly would be the first to apologize for doing something I ought not to have done.

The Acting Speaker (Mrs. Champagne): The hon. member has been in this House for quite a long period of time. I am sure that he does know that hon. members are not supposed to enter the chamber while a division is being taken. This has been within our rules for a long time.

The hon. member from Kamloops on the same point of order.

Mr. Riis: I just want to make it very clear. On many occasions over the years members have entered, and at the end of the vote indicated their intentions as to how they would have voted had they been in the chamber.

If, in fact, earlier in the day I entered the House of Commons at an inappropriate moment, and I accept that fact that it is a tradition that we have in this House, I for one want to apologize for doing that.

Mr. Harvey (Edmonton East) Madam Speaker, I am afraid that I cannot let the remarks of the hon. member from Humber—St. Barbe—Baie Verte pass unchallenged at this time.

He said that we were challenging the authority of the Chair. I can assure the Chair that in raising the original point of order, I had no intention, none whatsoever, of challenging the Chair. In fact I do not consider that anything I said at that time could be construed as a challenge to the Chair.

If by chance the hon. member was referring to the remarks of other of my colleagues, I can only say that nothing in any of those remarks could reasonably be construed as a challenge to the authority of the Chair, especially when in the case of the hon. member from Juan de Fuca, he was suggesting that the Chair take the time of the House to—

The Acting Speaker (Mrs. Champagne): The hon. member for Regina—Lumsden was seeking the floor.

• (1750)

Mr. Benjamin: Madam Speaker, it is against the rules to challenge the Chair. It has been for a number of years. We cannot challenge the Chair. Nobody has.

In light of the fact that my wife is expecting—

Some hon. Members: Oh, oh!

Mr. Benjamin: —could I have the unanimous consent of the House to call it six o'clock?

Some hon. Members: No.

The Acting Speaker (Mrs. Champagne): Consent has not been given. The hon. member for Esquimalt—Juan de Fuca.

Mr. Benjamin: Do I have unanimous consent?

Some hon. Members: No.

The Acting Speaker (Mrs. Champagne): The hon. member was not given unanimous consent to call it six o'clock. The hon. member for Esquimalt—Juan de Fuca.

Mr. Barrett: Madam Speaker, I was not suggesting that the Chair knows everything immediately. What I was suggesting was a recess. Your compromise is perfectly acceptable. But I want to say that I resent the editorial comment that somehow I was challenging the Chair or expecting the Chair to know every answer.

What I said was, take a five minute recess. The suggestion you have made is totally acceptable. But I do not accept the questioning of my motives when I raise a point of order.

The Acting Speaker (Mrs. Champagne): I had not been questioning the hon. member's motives, and I do thank him very much for finding my suggestion quite acceptable. On debate, the hon. member for Calgary West.

Mr. Hawkes: Madam Speaker, it is a very unusual period in the history of the Parliament of—

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Churchill.

Mr. Murphy: Madam Speaker, I certainly do not want to leave the remarks of the Liberal member unchallenged, because I was one of the people who rose and asked for a clarification of what the Speaker was ruling. The very fact that later on in that process the Speaker felt it necessary to withhold judgment indicates that what we were raising was quite valid. Upon hearing the arguments of members of the New Democratic Party caucus, and hearing other remarks, the Chair felt it necessary to reserve judgment. I know that the Chair also had the opportunity to have a few words with the Clerk and again it was obviously a situation where there was a feeling that the whole issue was in doubt.

I personally object to the remarks by the Liberal member who pretends that he also opposes the GST, despite what his candidate for the leadership is doing right now—

The Acting Speaker (Mrs. Champagne): I think hon. members will agree that the Chair has been quite patient. But we should not change points of orders into debate. The hon. member for Humber—St. Barbe—Baie Verte.

Mr. Tobin: Madam Speaker, with the full knowledge that I, as a genuine and sincere member of Parliament, this afternoon am being manipulated by my colleagues to my left, forced back on to my feet, I want to point out that this member made no reference to any member of the NDP caucus. Now, the fact that five or six felt it necessary, given their performance this afternoon, to get up and protest their innocence is an editorial comment not coming from me but from their own lips.

May I simply say that when I brought to the attention of the House that notwithstanding the strong passions in this place that the Chair and the authority of the Chair must be respected, and notwithstanding my sincere attempt to improve the atmosphere in this place, it is obvious that my words of wisdom fell on deaf ears of my colleagues opposite. That, Madam Speaker—

The Acting Speaker (Mrs. Champagne): The hon. member for Churchill has a point of order.

Mr. Murphy: Madam Speaker, I did not have a chance to finish my remarks with regard to the first intervention of the Liberal member. He indicated that it was the Speaker's job to maintain order in the House and to uphold the authority of the Chair. I would argue that it is the responsibility of the entire House to do so. In getting up to speak for whatever particular reason, he is misleading the House. As the Speaker likes to point out to those people in eastern and western Canada who may be watching and listening to this, it is very important that people understand that it is not only the Speaker who has the responsibility for maintaining the authority of the Chair, it is the entire House and all members of the House from all parties must maintain that role of the Chair.

Again, we do not always like the rulings of Speakers from time to time, but we recognize that once a ruling is made that that must be accepted.

• (1755)

The Acting Speaker (Mrs. Champagne): A point was raised about ten minutes ago. I ruled on it. As well, I said I would come back to the House should there be any changes after we have conducted some research. I think we have heard many comments on that ruling, on everybody's perception of my ruling. I think this subject should be closed for tonight.

Resuming debate. On a point of order, the hon. member for Calgary West.

Mr. Hawkes: Madam Speaker, having spent 15 minutes trying to get this debate started, I was quite prepared to begin speaking when I heard a member of the opposition from the New Democratic Party shouting "point of order". My only defence in this chamber is to shout "point of order" a little louder and perhaps a little faster because I think we really do have a point of order. I think the member for Humber—St. Barbe—Baie Verte put his finger on it.

The issue, Madam Speaker, that you have been asked to consider by the member is whether or not the Chair is being challenged. Is there a pattern of challenge that exists? As the former whip of the New Democratic Party pointed out, it is up to all of us to uphold the Chair.

I put my seat on the line some two or three days ago after observing tapes of debate in this House where two members of that party did, indeed—and I repeat it, did, indeed—challenge the Chair by voting twice, voting yea and voting nay on the same division which, if there ever was a classic case of putting the Chair in an awkward position, that was it.

I heard a supposedly responsible officer of this House, the House leader of the New Democratic Party, rise on a point of order and ask if his behaviour was appropriate when he walked into the House in the middle of a division. Madam Speaker, after being a House leader for as long as he has been, he knew that it was inappropriate.

The challenge is not to the government, the challenge is to the Chair. There is a pattern. There is a long, well-established tradition in this House that when a party, whether it is the official opposition, the government, any party, intends to make a creative use of the

rules, they have a quiet conversation with the Chair to advise the Chair so it is in a position to make a ruling.

The opposition has a desire to stifle debate, to stifle democracy, to keep this chamber silent on the issue of the goods and services tax. They are antithetical to democracy. They do not want debate, but the official opposition does, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Chair has listened to quite a few points of order in the last half an hour, but I have also asked other members to keep it to a point of order and not to get into debate. I think the hon. member for Calgary West was getting well into debate at that time.

Mr. Benjamin: He was out of order.

The Acting Speaker (Mrs. Champagne): The hon. member has not been given the floor.

Mr. Benjamin: Madam Speaker, when the Speaker of the House of Commons has a question of privilege under advisement, it is out of order to get up and speak on it, which he just did.

The Acting Speaker (Mrs. Champagne): I think the hon. member for Kamloops had been seeking the floor.

Mr. Riis: I must apologize to my hon. friend, the Whip for the government. I thought he was actually launching off in debate. I was going to call for a rule of relevance, but if he is on a point of order, I guess I really have not much to say.

Mr. Angus: Madam Speaker, just on a quick point of order. As Whip of the NDP, I understand that some members are now gathering to smoke at the freight entrance of this building. The bells do not reach down there. I would ask Your Honour to investigate the provision of services to members who still insist in indulging in the bad habit of consuming the weed and to make sure at least they get the notice for any votes.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being six o'clock, this House stands adjourned until tomorrow at 11 a.m, pursuant to the provisions of Standing Order 24(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, February 1, 1990

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

BUSINESS OF THE HOUSE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, we are all aware that today is a New Democratic Party opposition day on an important environmental issue. There have been consultations among the Parties and while we were anticipating having a vote at the conclusion of today's debate, there has been agreement that the vote be postponed until Monday at six, with the understanding that we would now go through the normal Routine Proceedings.

Mr. Speaker: The hon. Minister of Justice on the same point of order.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to confirm that there have been those consultations and that it is agreeable with the government. I think you would find confirmation from the Official Opposition too. I appreciate that it is on the record. It should perhaps be formally recognized as an Order of the House, in whatever way the Chair wishes to formalize that suggestion and to make it official.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we would certainly concur. Given that we have new hours on Monday and people realize that the House starts at one o'clock instead of the usual 11 o'clock, we agree that six o'clock is an appropriate time for the vote, but it will be on government time, I take it, and the additional time taken for the vote will not be added on to the day. With that caveat we agree.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, to be a little more precise, is the member suggesting that the vote on Monday be at 6.45?

Mr. Gauthier: Six.

Mr. Hawkes: The normal Monday hours for government business under the new system run from three o'clock until seven o'clock. If the vote were to occur at the conclusion of government business, then it would occur at seven, with a 15 minute bell. If he is asking for it to take part of government time, then I would assume that the bells would ring at 6.45 or maybe 6.30. Is the hon. member suggesting that government business be interrupted at some other hour for the holding of the vote? If somebody wants to make a suggestion, the government would be receptive to hearing exactly when we should have that vote on Monday.

Let us remember, Mr. Speaker, that one of the reasons we changed the hours for Mondays was to allow an opportunity for members to arrive at the House for deferred votes on a Monday. That is the reason we said let's vote more often at seven o'clock on deferred votes rather than at six o'clock. Is there some desire to change that for this one occasion?

Mr. Speaker: I will hear the hon. member for Ottawa—Vanier further and then I will hear the hon. member for Kamloops.

• (1110)

Mr. Gauthier: Mr. Speaker, since I raised the issue, I would like to add this comment. The government whip and I can always ask the Chair to defer a vote. In this case, that is not allowed. However, with the assent of the New Democratic Party and with their initiative, I agree that the vote can be deferred to Monday at six o'clock. I understand that the bells would ring at 5.45 p.m., and vote taken after that.

The reason is that normally we would have the vote at three o'clock after Question Period and Routine Proceedings. That would be the normal procedure, but to give a chance to western members to be here—and I hear the government whips clearly—I think six o'clock is appropriate. I hope we understand each other. Committees sit Monday night and committees have difficulties. There are six or seven committees sitting. The difficulty I have is allowing members to be here to vote, have their supper and then get back to their committees. We would be flexible and understanding of members' obligations to

be at committees and also in the House to vote. That is the only reason I am asking for six o'clock. If that does not meet with general consent then I am flexible.

Mr. Riis: Mr. Speaker, the point of the original suggestion was just that, that we have taken some soundings and it would appear that all members can be here who wish to be here Monday by six o'clock in terms of flights and so on. The understanding would be that the bells would ring at 5.45 p.m. and the vote would be at six o'clock. It is as simple as that. I think it is important that we identify that the vote will take place at six and the government business of the day will be interrupted until the vote occurs and then on with the normal business.

Mr. Lewis: Mr. Speaker, I can appreciate the Chair's concern that we seem to be negotiating on the floor of the House, which we do not normally do, but we are negotiating in good faith.

The government has no difficulty in this case taking the time out of government time with one condition, and that is if the bells ring at 5.45 p.m. and the vote is at six, there would have to be an understanding that there would be no dilatory points of privilege or order which would interrupt getting back to debate immediately after the vote.

Mr. Speaker: The House has heard the proposition put forward. Is it the wish of the House to agree?

Some hon. members: Agreed.

Mr. Speaker: The Hon. Member for South West Nova may want to discuss what we have just done with the Speaker after and I would be prepared to see her in my chambers.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour of tabling, in both official languages, the government's response to several petitions.

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

* * *

[*English*]

ROYAL COMMISSION ON BILINGUALISM AND BICULTURALISM

TWENTY-FIFTH ANNIVERSARY

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, this is a very special day for all of us who are committed to strengthening the harmony and co-operation between our two official language communities. It is the twenty-fifth anniversary of the preliminary report of the Royal Commission on Bilingualism and Biculturalism co-chaired by Davidson Dunton and Andre Laurendeau. It was an historic document for Canada.

That report presented Canadians with an exciting challenge, a challenge presented by a group of our compatriots who had spent two years listening to Canadians, reflecting on what they had heard and discussing at length among themselves what their conclusions should be.

[*Translation*]

As a result, measures were taken with the support of all the parties in this House to promote official language equality throughout the country.

Since that day 25 years ago, we have made progress towards greater linguistic justice. The 1969 Official Languages Act, the 1982 Constitution and the new Official Languages Act of 1988 provided a framework within which we were able to pursue our common goals.

[*English*]

One of the first and most important measures was to open up the Government of Canada to Canadians of both linguistic communities. We have a public service that now offers greater opportunities to English and French speaking Canadians alike, to work together in harmony and in the context of equal opportunities. As well, the government has made important strides in providing its services to the public in both official languages.

The government has also worked with all provinces and territories to encourage them to make their services available to their official language minorities in their own language.

[*Translation*]

In the field of education, there are tens of thousands of French-speaking children outside the Province of Quebec who are now receiving their education in their own language where before they could not. There are additional thousands of English-speaking pupils across the country benefiting from more and better teaching of French as a second language.

[*English*]

The English speaking population of Quebec continues to have access to a network of English language schools, colleges and universities. Furthermore, both English and French are taught extensively as second languages in Quebec schools.

[*Translation*]

Schools and community centres serving official language minority groups have sprung up in several provinces. Official language minorities now have their own community radio stations and community newspapers. Of course, organizations are also working hard to strengthen the ties within their communities. The most notable of these are *La Fédération des francophones hors Québec* and Alliance Quebec, but there are many others.

[*English*]

Despite the inevitable tensions that have occurred and continue to occur from time to time, the progress we have made in the past quarter century has strengthened us and given us fresh insight. We have got to know each other better. We have become more used to the process of dialogue that is so essential to our very survival.

As a member of an official language minority community, I am proud of what we as Canadians have accomplished to promote Canada's two official languages. Federal, provincial, territorial co-operation on official languages is a dynamic example of the Canadian commitment to official language equality. Through joint initiatives, substantial impetus is being given to promote minority language education and second language instruction and other services in the two official languages are being improved.

[*Translation*]

These forward-looking measures set the stage for a Canada that is united in its diversity and full of promise for the future.

It all started 25 years ago. That is a day to remember and a memory to cherish.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, it has been a quarter of a century since the day the Royal Commission on Bilingualism and Biculturalism was appointed by the then Prime Minister, the Right Hon. Lester B. Pearson. A quarter of a century may seem negligible in the history of a country, but to official language minority communities that have had to struggle to preserve their heritage, to many of us, a quarter of a century seems very long indeed.

In its report, the Laurendeau-Dunton Commission said that Canada was experiencing the worst crisis in its history. That was in the Sixties, Madam Speaker. In 1989, history seemed to repeat itself. What we are seeing is a new emergence of intolerance and misunderstanding, largely arising from ignorance and disinformation.

• (1120)

An hon. member: Deplorable!

Mr. Gauthier: Despite constant efforts, despite federal legislation passed in 1969, 1973 and 1988, and despite provincial legislation, including Bill 8 in Ontario and Bill 142 in Quebec, we still have a long way to go to ensure that our Canadian linguistic duality is approached with respect, generosity and tolerance.

Madam Speaker, although we can rejoice in the progress that has been made, we must face the facts. As they say, it isn't over until it's over.

Linguistic equity is far from being an accepted fact. In some provinces, movements and groups are sowing the seeds of disunity by refusing to acknowledge the rich resources of a country that has enshrined two official languages in its Constitution. They refuse to recognize the very foundations of our history.

To ensure that both official languages are treated the same, we must rely on firm leadership and on the understanding of Canadian men and women at all levels, whether federal or provincial, in our municipalities and our schools. That is the only way we will be able to guarantee linguistic justice in this country. We must explain to Canadians that, if we are to preserve this

fundamental resource of our country, there are certain challenges to be met.

While Quebec's language minority has access to schools, to the courts, to the legislature, and a range of social services, in most other provinces the Francophone minority is still denied, in addition to the right to be educated in its own language, access to control over institutions, access to the courts, access to the legislature, to health services, and so forth. Some groups are now asking the courts to acknowledge their right to have their children educated in their official language.

Although the federal government already supports the provinces in this area, we must intensify our efforts to make Canadians understand that giving rights to a minority in no way diminishes the rights of the majority.

When we see a situation like the one that arose this week in Sault Ste. Marie, we have every right to start asking some serious questions. To deny a minority rights it was never given is like trying to cure a disease before it has been diagnosed. Madam Speaker, I think this is a deplorable situation, and I am very sorry this had to happen. How could anyone seriously think that a 4 percent of a community could be a threat to 85,000 of its members?

If we want to ensure that our country can look foward to a harmonious future, the majority must stop holding hostage the minority group. We must stop these scare tactics. Hate never brought people together. In the case of Sault Ste. Marie, the only thing they have to fear is fear itself.

[*English*]

Our two official languages are Canada's precious jewels. Our two official languages are the most important aspect of our heritage. Our two official languages are one of the most differential characteristics of what Canada is all about. It should not be divisive. It should unite us, because that is what makes Canada a special country. Linguistic minorities should not have to struggle to survive. Linguistic minorities should not have to struggle to get what is rightfully theirs. They should be able to enjoy and share the heritage left to them by their ancestors.

Whether we are French-speaking Canadians or English-speaking Canadians, are we not all Canadians? Does Canada not belong to all of us? If it does, why can we not live together in harmony and respect and trust each other? Ignorance and intolerance toward our minorities damages Canada. And if you kill one's language, you kill part of the country with it.

Canadians gave themselves a Constitution which recognizes two official languages. The law of the land should be respected and protected by all governments and all individuals. If we are not able to do it in our country, Canada, then Canada is nothing but a sand castle.

In order for our mutual respect to develop, we must pay attention to the important fact of Canada. We indeed must try and develop strong bonds with each other. We must compromise, we must respect our spirit, we must respect each other.

There is still hope. I hope the next 25 years show us the way with strong leadership as to how we will succeed in peace and equity in matters of language.

[*Translation*]

Mr. Ian Waddell (Port Moody—Coquitlam): Madam Speaker, I am pleased to rise today as a member from the West and for the New Democratic Party of Canada to recognize the 25th anniversary of the Royal Commission of Inquiry on Bilingualism and Biculturalism.

[*English*]

When the commission was established, Andre Laurendeau, a great Canadian and co-chairman said, that, as history tells us, Paris was worth a mass and Canada surely is worth a commission. What a commission it was, it had a profound impact on Canada.

[*Translation*]

The vision expressed in the recommendations of this report had a considerable influence on the history of our country. The key recommendations—the principle of ensuring that the official language minorities of Canada receive public services in their mother tongue, the idea that French as well as English must be a working language in Canada, etc.—were reflected in the Official Languages Act of 1969, the Canadian Charter of Rights and Freedoms and more recently in Bill C-72 which was passed before the last election.

[*English*]

On this twenty-fifth anniversary of the "by and by" commission, I can remember the time we asked when this commission was going to report. It was a little bit of a joke, because royal commissions takes a long time. They said "by and by it would report". It was not a joking matter because it was a very serious and very important commission.

As hon. members before me have said, we have cause for both satisfaction and concern. We have more bilingual people than ever before. Recent Statistics Canada reports state that the increase has been from 13.5 per cent in 1971 to 16.2 per cent today, so we are going forward and not backward.

This reflects in large measure the desire of young people in this country, and I emphasize young people, to learn either English or French as the case may be. The young people of Canada are demonstrating their support for a bilingual country every day in classrooms, through exchanges and through travel. It is this reality we must consider when we hear noisy demonstrations, as we have recently, of intolerance toward official language minorities in Canada. Look at the pictures on the TV screens. Those are old faces that show intolerance. The young people are not showing the level of intolerance. They have a different view of Canada and that is the view that was reflected in the reports of the Royal Commission on Bilingualism and Biculturalism.

There has been a lot of talk, and more than talk, of distinct societies in Canada. The Meech Lake constitutional accord recognizes Quebec as a distinct society which is a position supported by my party, the NDP. However, in my view, the accord also creates another nine distinct societies. It seems to me that one of the reasons we have been bogged down recently in constitutional change is that that view of Canada is in conflict with the view of Andre Laurendeau and Davidson Dunton in the report of the B and B Commission 25 years ago. In all this discussion of distinct societies, we must not forget that one of the major elements of Canada's distinctiveness as a country is that it is bilingual. We all, I believe, can agree to that. Compare this to California where there are moves to make it a unilingual state. We have a different view in Canada. We have a view that Canada is bilingual and that is a result, by and large, of the royal commission 25 years ago. We are not a melting pot.

For us to remain distinctive, we must continue to pursue national policies that, to the extent possible, give Canadians the chance to live, to learn and to work in either official language. Those of us who support the vision of the Bilingual and Biculturalism Commission must speak out—all of us—more forcefully than ever before for tolerance in this country.

• (1130)

I want to conclude with two quotes, one from Sir Wilfrid Laurier and the other from his rival, Henri Bourassa. Laurier said in 1897, on the occasion of the Diamond Jubilee: "If there is anything to which I have devoted my political life, it is to try to promote unity, harmony and amity between the diverse elements of this country. My friends can desert me. They can remove their confidence from me. They can withdraw the trust they have placed in my hands, but never shall I deviate from that line of policy".

Laurier's concept of Canada was to have a tolerant society but not necessarily enforced by law.

I want to end by quoting from the real father of the B and B Commission and the bilingualism nature of Canada, Quebec nationalist Henri Bourassa. I quote from page 78 of Tom Berger's book '*Fragile Freedoms*. He was a former judge from British Columbia who wrote:

> Bourassa went on to describe his vision of a bilingual, bicultural Canada, an Anglo-French nation from sea to sea.
>
> We deserve better than to be considered like the savages of the old reservations and to be told: "Remain in Quebec, continue to stagnate in ignorance, you are at home there; but elsewhere you must become English."
>
> No, we have the right to be French in language; we have the right to be Catholics in faith; we have the right to be free by the constitution—(and) to enjoy these rights throughout the whole expanse of Confederation.
>
> In our own day, Pierre Trudeau has adopted Bourassa's idea of a bilingual and bicultural Canada. Trudeau is Bourassa's heir, not Laurier's. The Official Languages Act of 1969 enlarged the availability of services in English and French in federal departments and institutions, pursuant to Section 133 of the BNA Act.

A further expansion of the scope of those two official languages is now taking place under the Charter of Rights and Freedoms. I will conclude with the guarantee of English and French education throughout the country

and with the view that young people, not the older generation, who want to see a bilingual country.

That is the real legacy that Laurendeau and that royal commission has left us. That is our view of Canada.

Some hon. members: Hear, hear!

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF ELEVENTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Madam Speaker, I have faithfully tried for nearly a week to table this report.

It gives me great pleasure, pursuant to Standing Order 34, to present to the House the eleventh report, in both official languages, of the Canadian NATO Parliamentary Association.

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

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

BILL C-38—TABLING OF REPORT

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the honour to present the report of the Legislative Committee on Bill C-38, an Act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other Acts in consequence thereof, with amendments.

The report was prepared by the Chairman of the Committee, Mr. MacLellan, and I present it on his behalf.

[*English*]

STRIKING COMMITTEE—THIRTY-FIRST REPORT

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have the honour to present the thirty-first report of the Striking Committee.

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

* * *

[*Translation*]

CANADIAN RACE RELATIONS FOUNDATION

MEASURE TO ENACT

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)) moved for leave to introduce Bill C-63 intituled "An Act to establish the Canadian Race Relations Foundation".

The Acting Speaker (Mrs. Champagne): Shall the Hon. Minister have leave to introduce the bill?

Some hon. members: Agreed.

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

The Acting Speaker (Mrs. Champagne): When shall the bill be read the second time? At the next sitting of the House?

Some hon. members: Agreed.

* * *

[*English*]

BANK ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-282, an act to amend the Bank Act (fair banking practices).

The Acting Speaker (Mrs. Champagne): Shall the hon. member have leave to introduce the bill?

Some hon. members: Agreed.

Mr. Rodriguez: Madam Speaker, this bill establishes certain basic banking services for which there will be no charges whatsoever. It also retroactively puts a freeze on bank service charges which have been in effect. Third, it establishes an independent ombudsperson for those Canadians who have complaints about bank service charges.

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

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Madam Speaker, as you can see I have a pile of petitions, but I will present them all at once for the sake of brevity.

These petitioners are concerned about the government's decision to proceed with the goods and services tax. They have a long list of concerns as to why they are against it.

These petitioners are from Kamloops, Westsyde, Brocklehurst, Avola, Westmount, Batchelor Hills, Barriere, Dallas, Valleyview, Blue River, Paul Lake, Barnhartvale, Knutsford, Chase, Clearwater, Blackpool, Birch Island, Kamloops Indian Reserve, Wells Gray Park, Chu Chua, Skwaam Bay, Black Pines, Harpers Ranch, Rayleigh, Niskonlith Lake, Louis Creek, Logan Lake, Little Fort, Heffley Creek, Darfield, McLure, Monte Creek, East Barriere Lake, Vinsulla, Trapp Lake, Tranquille Plateau, Monte Lake, Pinantan Lake, Pritchard, Savona, Vavenby, Westwold, Deadman's Creek, Lac Le Jeune and Cherry Creek.

They are asking that the Parliament of Canada do whatever it can to stop the government from proceeding with the goods and services tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have a petition sent to me by people from Alberta who strongly object to this imposition of an additional sales tax on goods and services.

They claim that the Conservative federal government wants to impose on Canadians a new hidden tax which will touch about everything they buy, that the imposition of the new general goods and services tax will cause serious and unfair hardship to low and middle income Canadians and, further, that the imposition of this tax will create an onerous burden on small business.

They claim that this is an unprecedented tax grab from the pockets of Canadians. They will be hit not only with higher taxes but higher inflation, higher interest rates and higher unemployment.

The petitioners humbly pray and call upon Parliament to reject the proposed goods and services tax proposal of this government.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I have pleasure in rising to present a petition, pursuant to the appropriate Standing Order, from some people in Windsor, Ontario.

The prayer of their petition is one that will come as no surprise. They want this nefarious, objectionable, unreasonable goods and services tax done away with before it ever sees the light of day. I have great pleasure in supporting the prayer of their petition.

They are appealing to people on the government side to start listening to the real people out there in Windsor and other parts of this country.

• (1140)

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I have the privilege, responsibility and the honour to present and totally support a petition signed by hundreds of residents of Val Therése, Val Caron, Blezard Valley, Capreol, Coniston, Sudbury, Garson, Lively, Naughton, Walton, Noelville, and St. Charles.

They point out that the proposed goods and services tax is a regressive tax, that it does not respect the ability of the taxpayer to pay, and that in fact the government has not addressed the present unfair tax system which permits wealthy Canadians and corporations to pay little or no federal tax at all.

Therefore they ask Parliament to call upon this government to cease the proposal which will shift the tax burden on to the backs of ordinary Canadians through this regressive consumption tax.

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Madam Speaker, the first item of business in the House of Commons for the 1990s brought members of the House of Commons together in a united way in voting for the preservation of the Rouge Valley, 10,000 acres in metro Toronto, as a park.

I would like to present today names of petitioners who join with members of the House of Commons. These people are from Scarborough, Mississauga, Richmond Hill, North York, Markham and Toronto. They too wish to send a very strong message to Premier Peterson of Ontario to have the Rouge Valley saved as a park.

This is a very unique and precious natural area. It is in the national interest to preserve this wildlife and wilderness area.

The interim report of the royal commission on the future of the Toronto waterfront recommended the Rouge Valley be saved, as did the mayor of Scarborough and thousands of people in the Rouge Valley system organization.

I am very pleased to present this petition which calls on the Government of Ontario to have the Rouge Valley established as a park.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my honour and duty, in accordance with Standing Order 36, to present a petition from residents of Winnipeg, Dugal, Quebec, St. Foy, North Vancouver, Canoe Bay, Roblin, Saskatchewan, Saskatoon East, Thunder Bay and Barrie who are concerned that the government ought not to cut the VIA Rail service which is so important, particularly to the smaller cities and towns of Canada.

Therefore, they ask the Parliament of Canada to maintain VIA Rail with Canada's present national network, to upgrade VIA Rail with new equipment, and to have a passenger train act giving VIA Rail a firm, legislative mandate.

Finally they ask Parliament for revised costing arrangements with the railway companies.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my privilege to present a petition from the residents of North York, Toronto, Thunder Bay, Middleton, Nova Scotia, Dollard, Quebec and Downsview who are concerned for the government's present action against the people of Natashquan in Labrador and eastern Quebec.

They ask that the Parliament join with the Assembly of First Nations, the Innu of Labrador and other aboriginal peoples of northern Canada in opposing the use of their lands for NATO–NORAD attack training.

They demand that the Canadian government end all NATO–NORAD low level flight training in Canada and oppose establishment of NATO operations in Canada, including the proposed tactical fighter and weapons training centre at Goose Bay, Labrador, and that Parliament should redirect Canada's NATO–NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood and promoting sustainable development for all Canadians.

[*Translation*]

GOODS AND SERVICES TAX

M. Alfonso Gagliano (Saint–Léonard): Madam Speaker, I too have a petition signed by Ottawa area residents who are against this regressive tax on goods and services which will spell the end of thousands of jobs in the small and medium–sized business sector and which will boost inflation.

Your petitioners are urging us Liberals to resort to every means at our disposal to defeat this measure so that the tax will never be implemented.

[*English*]

Mr. Joe Fontana (London East): Madam Speaker, for over 10 days this government has denied the people of Canada the democratic right to have their petitions presented to their representatives in the House of Commons.

It is indeed a pleasure and privilege this morning to rise and present, on behalf of hundreds of people from southwestern Ontario, a petition asking this government to rescind its proposed bill respecting the goods and services tax which will be devastating not only to small business but to seniors, to students and to people in lower and middle income groups.

They want this government to listen to their petitions, to listen to their voices and to scrap this tax once and for all, at any rate.

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have the honour and duty, under Standing Order 36, to present to this House a petition certified correct by the clerk of petitions. It contains the signatures of Canadians who reside not just in my riding of Hamilton West but, as members of the ridings of Hamilton—Wentworth and Burlington might take note, Canadians who reside in the communities of Dundas, Greensville and in particular Burlington.

They strongly oppose this new goods and services tax, which they say is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but higher inflation, higher interest rates and higher unemployment.

They humbly pray and call upon Parliament to reject the proposed goods and services tax.

RIGHT TO LIFE

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, it gives me great pleasure to present this petition from about 24 people from Portage La Prairie, Manitoba who wish Parliament to enact legislation that protects human life from conception to natural death.

GOODS AND SERVICES TAX

Mr. Joe McGuire (Egmont): Madam Speaker, I rise, pursuant Standing Order No. 36, to present a petition opposing the government's goods and services tax.

It is the wish and prayer of the petitioners that this government cease in its efforts to foist the goods and services tax on an unwilling and unaccepting public.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I would like to present a petition from a great many Canadians who are very concerned about the goods and services tax and wish to express to the government their disagreement in what the government is doing.

They say that it is just going to be a tax grab and certainly will not be in the interest of Canadians. In fact it will be very damaging to the people of Canada.

VIA RAIL

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, it is my privilege to rise today, pursuant to Standing Order No. 36, to present a petition on behalf of the people who are decrying what the government has done to VIA Rail, including the $500 million cut that is resulting in decreased service and the certainty that the equipment needed to maintain VIA would not be purchased.

They are asking the Government of Canada to force VIA Rail to come up with a firm business plan to assure the continuance of VIA Rail as a world method of transportation.

GOODS AND SERVICES TAX

Mr. Ron MacDonald (Dartmouth): Madam Speaker, it is my duty and pleasure today, pursuant to Standing Order No. 36, to present to this House a properly certified petition from Canadians who are absolutely opposed to this government's proposed goods and service tax at 9 per cent, 7 per cent, 1 per cent or whatever.

The signatories on this particular petition are part of the 72 per cent of Canadians who are saying no, loud and clear, to any type of GST.

• (1150)

Mr. Ross Harvey (Edmonton East): Madam Speaker, I am pleased to rise, under Standing Order 36, to present roughly another 300 signatures of Canadians, mostly resident in Edmonton but resident in other parts of Canada as well. They are in addition to the thousands I have already presented and are calling on Parliament to reject the current proposal for a goods and services tax and to cause the government to cease with the proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

I am going to keep presenting these signatures as they come in until one of two things happen: either the government scraps the GST or the Canadian people scrap the government.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, it is my privilege, pursuant to Standing Order 36, to present a petition on behalf of my colleague, the member for Windsor West, from Canadians in the Windsor area who also are opposed to the goods and services tax.

They think that it is a regressive tax, an unfair tax, an inflationary tax and a tax which they want this government to withdraw. They humbly pray and call upon Parliament to achieve that end.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I have the honour to present petitions signed by a host of electors in the riding of Windsor West who object to the goods and services tax and call upon Parliament to reject this unfair and regressive tax.

[*Translation*]

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, this petition has been certified correct under the provisions of Standing Order 36. On behalf of my fellow citizens of the Windsor and London regions I am pleased to convey their message. They urge Parliament to reject the goods and services tax because they believe it is totally unfair.

Routine Proceedings

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, the following questions will be answered today: Nos. 152, 174, 176, 181, 182, 187, 188, 189, 202, 203, 204, and 207.

[*Text*]

SOFTWOOD LUMBER TARIFF

Question No. 152—**Mr. Gardiner:**

Since the implementation of the Memorandum of Understanding with the United States regarding the Softwood Lumber Tariff (M.O.U.), has the government received any communiqués, messages, formal advisories or letters regarding the M.O.U. from any level of government, commission or private organization in the United States and, if so (a) by department, what number were received (b) in each case, on what dates?

Hon. John Carnell Crosbie (Minister for International Trade): Since the Softwood Lumber Memorandum of Understanding (MOU) was signed on December 30, 1986, the Government of Canada has received 64 communiqués, messages, formal advisories or letters from the U.S. government, commissions and private organizations in the U.S. regarding the MOU.

External Affairs and International Trade Canada 49;

Canadian Embassy, Washington 7;

Revenue Canada 8;

Forestry Canada 0.

A list of the dates of the correspondence received by the departments and agencies is attached.

Softwood Lumber Memorandum of Understanding
Correspondence from the United States

External Affairs and International Trade Canada

1987	1988	1989
January 8	March 22	February 22
January 8	May 4	March 3
January 22	May 27	March 17
February 13	June 7	March 27
February 20	June 9	April 25
February 24	June 22	June 20
March 6	June 23	July 21
March 16	July 14	July 21
March 16	August 22	August 4
March 18	October 5	September 22
April 28	November 14	October 16
May 1	November 22	November 2
May 4	November 23	December 1
July 31	December 21	December 1
October 16	December 29	December 11
December 15		December 21
		December 22
		December 22

Canadian Embassy—Washington

August 21	March 1	April 10
December 15	April 7	April 21
	July 7	

Revenue Canada

January 11	January 4	August 2
May 1		
September 8		
November 2		
November 2		
December 1		

"WAGE AND PRICE MODERATION" IN THE PUBLIC SECTOR

Question No. 174—**Mr. Young (Gloucester):**

1. Does the government have plans to encourage "wage and price moderation" in the public sector and, if so (a) what are they (b) do they include plans to prevent future collective agreements in the federal public sector from containing clauses which fully or partially index wages and benefits to increases in the (i) consumer price index (ii) any

other index, either before or after implementation of the proposed goods and services tax and, if so, in what way?

2. What number of the government's employees are presently covered by collective agreements which index wages and benefits according to (a) increases in the consumer price index (b) increases in the consumer price index less three per cent (c) no index at all (d) other indices?

Hon. Robert R. de Cotret (President of the Treasury Board): 1. The government has no plans to make changes to the way in which the wages or benefits have been established.

2. There are no provisions in any collective agreement which applies to federal public servants which establish wages or benefits according to an index.

GOODS AND SERVICES TAX-BUDGET

Question No. 176—**Mr. Young (Gloucester):**

Has the government budgeted or spent any money to advertise and explain the proposed goods and services tax to Canadians and, if so (a) for the present and each future fiscal year, what amount (b) what amount has already been spent on (i) the operation of the government's proposed goods and services tax information telephone lines (ii) proposed goods and services tax pamphlets (iii) advertisements in all forms of media (iv) the hiring of new personnel with the full or partial responsibility for the said advertising or explaining or communications work concerning the proposed tax (v) leasing any office space and equipment for these activities (vi) any other expense?

Hon. Michael Holcombe Wilson (Minister of Finance): (a) For the fiscal years 1989–90 and 1990–91, Treasury Board has approved an operating budget of $7.661 million for the Goods and Services Tax Working Group: $5.138 million for 1989–90 and $2.523 million for 1990–91. These figures include expenditures for salaries, travel, supplies, materials and so on.

In addition, a budget of $4.5 million has been established for a public information campaign about the GST for the fiscal year 1989–90.

(b) To date:

(i) The sum of $476,200 has been spent on the operation of a toll free information line service.

(ii) The amount spent for pamphlets explaining the proposed Goods and Services Tax is $204,600.

(iii) Out of the 1989–90 public information budget of $4.5 million, a total of $2,916,600 has been spent for advertisements explaining the proposed GST to Canadians.

(iv) The amount spent on the hiring of new personnel to be responsible for communications work concerning the proposed tax is $479,900.

(v) The sum of $26,400 has been spent on the leasing of office space and equipment.

(vi) Other expenses for travel, postage, freight, furniture, and other supplies total $248,100.

ACTUARIAL PRESENT VALUE OF UNFUNDED SUPPLEMENTARY RETIREMENT BENEFITS

Question No. 181—**Mr. Gauthier:**

Were blended interest, general wage increase and inflation rate assumptions used for 1989–90 and each of the next twenty fiscal years to produce the estimate contained in Section 7 of Volume I of the 1988–89 Public Accounts "that the actuarial present value of unfunded supplementary retirement benefits, including provision for future indexation, in respect of benefits earned or in pay as at March 31, 1989, could be between $850 million and $5 billion," and if so, respectively, what were they?

Hon. Robert R. de Cotret (President of the Treasury Board): Insofar as the Office of the Comptroller General is concerned:

Streamed economic assumptions were used in preparing the estimated obligations for all pensions plans as at March 31, 1989. The economic assumptions start with current salary and interest rates, and gradually blend into long term economic assumptions. In both scenarios, the assumed rate of return on the account balances reflects a 1 per cent margin over the medium term to allow for possible adverse economic situations. The specific assumptions are as follows:

	$6 billion Unrecorded Liability			**$850 million Unrecorded Liability**		
Calendar Year	Assumed Fund Yields	CPI Increase	General Salary Increase	Assumed Fund Yields	CPI Increase	General Salary Increase
	%	%	%	%	%	%
1989	10.1	4.8	4.4	10.1	4.8	4.4
1990	10.0	4.4	3.3	10.0	4.4	3.3
1991	10.0	5.7	3.2	10.0	5.7	3.2
1992	9.9	3.0	3.0	9.9	3.0	3.0
1993	9.8	2.7	3.0	9.8	2.7	3.0
1994	9.6	2.5	3.0	9.6	2.5	3.0
1995	9.4	3.0	4.0	9.4	2.3	2.8
1996	9.1	3.5	5.0	9.1	2.1	2.6
1997	8.9	3.5	5.0	8.8	2.0	2.5
1998	8.6	3.5	5.0	8.5	2.0	2.5
1999	8.4	3.5	5.0	8.2	2.0	2.5
2000	8.1	3.5	5.0	7.9	2.0	2.5
2001	7.8	3.5	5.0	7.5	2.0	2.5
2002	7.4	3.5	5.0	7.0	2.0	2.5

	$6 billion Unrecorded Liability			$850 million Unrecorded Liability		
Calendar Year	Assumed Fund Yields	CPI Increase	General Salary Increase	Assumed Fund Yields	CPI Increase	General Salary Increase
2003	7.1	3.5	5.0	6.6	2.0	2.5
2004	6.9	3.5	5.0	6.3	2.0	2.5
2005	6.7	3.5	5.0	6.0	2.0	2.5
2006	6.4	3.5	5.0	5.7	2.0	2.5
2007	6.3	3.5	5.0	5.5	2.0	2.5
2008	6.1	3.5	5.0	5.2	2.0	2.5
2009	6.0	3.5	5.0	4.9	2.0	2.5
2010	6.0	3.5	5.0	4.5	2.0	2.5

In both scenarios, the assumptions remain constant after 2010.

GRANTS

Question No. 182—**Mr. Boudria:**

Have any grants to the Canada Council, the Social Science and Humanities Research Council or the International Development Research Centre been spent on (a) a study of the social value of lawn ornaments (b) a study of latrines in Guatemala (c) the translation of the book *If it weren't for sex I'd have to get a job* (d) a study of the attitudes of Nova Scotians towards animals (e) the publication of a banana newsletter from the French Riviera (f) a study of the fool as a transitional figure in the historical development of western civilization and, if so (i) what was the total amount spent on (ii) what was the purpose of each project?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): I am informed as follows: (a) Yes—The Social Sciences and Humanities Research Council of Canada.

i) $12,000 (1987–1988).

ii) This project in the sociology of culture examines how people in a society, including an ethnically, linguistically, gender—and class-divided society, experience and express their culture. The researcher focuses on a cultural symbol, the mass-produced lawn ornament, to find out how the choice and arrangement of such ornaments in a yard communicates something about how they see themselves, how they view animals (often depicted in ornaments), or about a nostalgia for the past (outmoded work tools are popular as decoration). Study of the sociology of culture is one aspect of understanding our society. To understand society as a complex whole, we need to examine the human motivations, aspirations, values, and cultural differences of individual segments of society. This is particularly true in Canada because of its multicultural makeup.

b) Yes—The International Development Research Centre.

i) $215,300 over a 36 month period.

ii) The International Development Research Centre is supporting a project titled *DAFF Latrine* in Guatemala. The *Centro de Estudios Mesoamericano Sobre Technologia Apropriada* is undertaking this project ot evaluate and provide advice on technical aspects and social acceptance of dry alkaline family fertilizer (DAFF) latrines.

The safe disposal of human waste is major public health issue in developing countries. Five million infants and children die of diarrhoeal disease annually. This project investigates the factors responsible for program failures, designs a low-cost composting latrine, assesses its technical performance and social acceptability, and is presently developing technical support materials to institutions promoting the latrine in Guatemala and throughout Central America.

c) Yes—The Canada Council.

i) $10,320.

ii) For the translation from English to French of a book titled "If It Weren't for Sex, I'd have to Get a Job". This book is the memoirs of Arnold Manweiler, a veteran canadian private investigator whose career spanned over 30 years; it recounts, often humorously, some of the cases Mr. Manweiler investigated and gives readers an inside look at the day-to-day life of a Canadian "private eye". The quality of the translation supported by the Council was such that the Governor General's Literary Awards jury named it as one of the three finalists for the 1988 translation award. The grant was awarded through the Council's Translation Program, which encourages greater exchanges between Canada's English-language and French-language communities through grants for translation of works by Canadian authors from one official language to the other. Assistance is also available for the translation of Canadian books from a language other than English or French into one of the official languages.

d) Yes—The Social Sciences and Humanities Research Council of Canada.

i) $21,664 (1986–1987).

ii) Animals play an essential role in human affairs: as farm animals, laboratory subjects, game, and as pets. With wild animals we share a decreasing amount of open space as the human population grows. Important public decisions about our use of and co-existence with animals require a sound understanding of how people regard animals and such issues as animal rights. This survey of Nova Scotians by a trained wildlife biologist will allow researchers to make generalizations about the attitudes of all Canadians. (The micro/macro approach in research is effective and is commonly used by scholars and pollsters.) The results will be of use to policy planners, legislators and wildlife managers in developing programs in such areas as animal rights, wildlife preservation, commercial and recreational hunting and fishing, and environmental protection.

e) Yes—The International Development Research Centre.

i) $669,000 over a 36 month period.

ii) IDRC is supporting a project *titled Banana and Plantain Information Network*. This project aims at setting up an information system to support the establishment and operations of the International Network for the Improvement of Banana and Plantain (INIBAP), wich has its headquarters in Montpellier, France.

Banana and plantain are a major export crop for many developing countries. The estimated world market worth is more than $10 billion (US) a year. In addition, bananas are the staple food for millions of poor people. In many Third World countries a nutritious variety of "green" banana is boiled in soups and stews. It has the consistency and flavour of a hard potato or yam and is used more like our staple potato or rice than the fruit we are familiar with in North America.

In tropical climates, crops are constantly susceptible to insects and disease. Central America is currently suffering from a disease called black sigatoka which treatens the region's best species. The fungus is spreading quickly and relentlessly and there is fear it will spread to South America, the Caribbean and eventually, even Africa. Unfortunately, small rural farmers cannot afford the pesticides and fertilizers used by the large plantation owners. Many small producers are being forced to leave their lend.

Scientists in many parts of the world are doing genetic research to develop new species or superior bananas that are resistant to insects, disease yet produce good, nutritious fruit.

Canada, through IDRC, is playing a leading role as executing agency and along with a consortium of international donors is supporting a coordinated program of research on bananas and plantains. The international network, known as INIBAP (International Network for the Improvement of Bananas and Plantains), received 12 per cent of its funding from IDRC. Other contributors include Australia, Belgium, France, the U.S.A. and the E.E.C.

The government of France has provided facilities at the International Cooperation Centre of Agricultural Research for Development (CIRAD), in Montpellier, which is a centre of excellence on tropical fruits. The IDRC grant to INIBAP is to help establish a research network with the purpose of linking scientists in the developing countries for mutual exchange on research results. The mechanisms include a question and answer service on production and disease problems, creation of a data base and exchange of infromation in and between the developing countries themselves.

f) Yes—The Social Sciences and Humanities Research Council of Canada.

i) $24,540 (1986–1987).

ii) Study of Western civilization necessitates an examination of the figure of the fool. The fool, who is known through literature and culture, questions the way people think or act. His target may be the general populace or a person with great power to help or hurt those around him. The fool's distinguishing characteristic, which gives him the possibility of being so influential, is the ambiguity about his statements—is he really foolish, or is he wise? This study concentrates on how the fool expresses the anxieties of a population during periods of social change. Because civilization is always in the process of changing, and because the 20th century has brought us even more rapid and tumultuous change, studying the fool who questions our ways remains very relevant.

ROYAL CANADIAN MOUNTED POLICE INVESTIGATION INTO THE LEAK OF BUDGET DOCUMENTS

Question No. 187—**Mr. Comuzzi:**

Since April 26, 1989, has the Royal Canadian Mounted Police conducted an investigation into the leak of Budget documents and, if so, what has been the total cost in (a) person-hours (b) dollars?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Yes. The primary investigation was conducted in Ottawa, however, inquiries were also undertaken in the various provinces where stock exchanges are located. In addition to the involvement of operational units, support was also provided by specialized units such as surveillance and identification services.

(a) The reporting system of the Royal Canadian Mounted Police (RCMP) does not allow a definitive account of the total number of hours expended on this investigation.

(b) As a rule, other than for planned operations, the RCMP does not cost its investigations. The actual cost could only be ascertained by looking at each individual's involvement, determining his/her salary classification and the hours expended. In view of the number of individuals involved at different locations, costing would be difficult to accomplish and would not provide an accurate amount.

CONTRACT FOR THE DISTRIBUTION OF BROCHURES ON THE GOODS AND SERVICES TAX.

Question No. 188—**Mr. Milliken:**

Did the government enter into a contract for the distribution of brochures on the Goods and Services Tax and, if so (a) with whom (b) what was the (i) date (ii) money value (iii) term of the contract (c) what was the responsibility of the contractor to pick up remaining brochures (d) was the contractor paid an additional sum to collect the brochures after October 10, 1989?

Hon. Michael Holcombe Wilson (Minister of Finance): (a) The Department of Finance entered into a contract with Infocentre Network on August 15, 1989 to distribute brochures on the proposed Goods and Services Tax.

(b) (i) The duration of the contract was from August 15, 1989 to October 9, 1989. At that time, the distributor offered to extend the contract for a two week period—a regular practice in the distribution industry.

(ii) The amount of the contract was $146,749.00.

(iii) see (i)

(c) The contractor was instructed to remove all existing brochures from its information centres beginning October 12, 1989.

(d) The contractor was not paid an additional sum to collect the brochures after October 10, 1989.

CANDU OR SLOWPOKE REACTORS

Question No. 189—**Mr. Blaikie:**

Does Atomic Energy of Canada Limited have a marketing plan which would include the sale of CANDU or Slowpoke reactors to Guatemala, Brazil or Colombia and, if so, have any formal or informal negotiations taken place between government officials and officials from these countries on the sale of such equipment?

Hon. Arthur Jacob Epp (Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

AECL has no plan to sell a CANDU or a SLOWPOKE to Guatemala, Brazil or Colombia. However, in the past, AECL has had discussions with Colombian nuclear authorities regarding the possible sale of a MAPLE X research reactor.

VERIFICATION AUDITS IN ACCORDANCE WITH THE FREE TRADE AGREEMENT

Question No. 202—**Mr. Manley:**

Since January 1, 1989, have verification audits been carried out regarding certificates of origin, in accordance with the Free Trade Agreement, by (a) Canadian officials in the United States (b) United States officials in Canada and, if so, in each case, what number?

Hon. Otto John Jelinek (Minister of National Revenue): Since implementation of the Canada-United States Free Trade Agreement (FTA) on January 1, 1989, verification visits to the other country respecting certificates of origin in accordance with the FTA have been carried out by Customs officials of both countries. During the 1989 calendar year, five such visits to business firms located in the United States were carried out by Canadian Customs officials, while two verification audits of firms located in Canada were carried out by U.S. Customs officials. As of January 5, 1990, each country's Customs administration has notified the other of an impending verification audit.

ARENA GOVERNMENT OF EL SALVADOR

Question No. 203—**Ms. Hunter:**

Between December 13 and 16, 1989, did the Department of External Affairs hold discussions in Ottawa with representatives of the ARENA Government of El Salvador and, if so (a) at what level

(b) what was the focus of discussion (c) on whose initiative was the meeting held?

Right Hon. Charles Joseph Clark (Secretary of State for External Affairs): The Vice Minister of Foreign Affairs of El Salvador Ricardo Valdivieso, had two meetings with the Department of External Affairs on December 14, 1989. The first meeting was with Mr. Chrétien, Acting Under-Secretary of State for External Affairs. This was followed by a meeting between Mr. Valdivieso, his delegation of business and labour leaders and the Director General, Director and officer responsible for El Salvador in the Caribbean and Central America Bureau. These meetings were at the request of the government of El Salvador. The discussions centred on the situation in El Salvador, with particular reference to the recent hostilities. The human rights situation was discussed in some detail, as well as the prospects for negotiations and peace.

ENVIRONMENTAL IMPACT ASSESSMENT ON THE EFFECT OF LOW-LEVEL FLIGHTS

Question No. 204—**Ms. Hunter:**

Has the government undertaken an Environmental Impact Assessment on the effect of low-level flights brought about by deregulation of the airline industry on the bald eagle habitat of the Gulf Islands between Vancouver and Victoria, British Columbia and, if not, does the government plan such a study in the near future?

Hon. Lucien Bouchard (Minister of the Environment): Environment Canada surveys in 1987 indicate that Bald Eagle populations in the Gulf Islands of British Columbia have increased approximately 30 per cent over an 11-year period. Populations in the adjacent San Juan Islands, Washington, have also increased.

Although no direct studies have been conducted, casual field observations indicate that normal, routine commercial airline activity does not visibly harrass nesting or feeding eagles. No further studies of eagle populations in the Gulf Islands are planned.

CN BY-RAIL VEHICLE INVOLVED IN A LANDSLIDE

Question No. 207—**Mr. Saint-Julien:**

On or about August 2, 1989, was a CN by-rail vehicle involved in a landslide at mileage point 106.2 of the Franquet-Chapais subdivision in Abitibi and, if so (a) what were the causes of the accident (b) what was the amount of damage to the vehicle (c) what was the cost of recovering the vehicle and of all expenses related to the accident (d) what was the cost of overtime paid to CN employees (e) when was the President of Canadian National informed of the circumstances of the accident?

Hon. Benoît Bouchard (Minister of Transport): The Management of the Canadian National Railways advises as follows:

(a) Cause of the accident has been identified as human error.

(b) $7,601.81.

(c) and (d) The vehicle was retrieved by employees using CN equipment for one day, that was available at the site, including: a five-ton truck; a trailer; and an all terrain caterpillar-type tractor (muskeg). No overtime was required.

(e) The President of CN is informed promptly about all significant operating irregularities on the railway. Incidents of the kind addressed by this question are handled at the regional level. In view of the media interest in this particular incident, the President of CN was informed about it on August 4, 1989.

[*English*]

Mrs. Browes: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the parliamentary secretary have been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement Government Orders will be extended by 18 minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL PARK SYSTEM

Mr. Jim Fulton (Skeena) moved:

That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 per cent of land and marine zones.

He said: Madam Speaker, this is the first time in Canadian history that this House has taken the opportunity to debate and vote on the completion of our national parks system and also vote on the international scientific consensus obtained by the World Commission on Envi-

ronment and Development, more commonly known as the Brundtland Commission, to set aside 12 per cent of land and marine zones with full protection.

Our national park system is only one-half complete after more than a century of considerations in the provinces and territories. Only 21 of the 39 natural bio-regions of Canada have any kind of representation and only two of the 29 natural marine bio-regions have any form of protection at all.

Most members of this House know that the first national park in Canada was created in Banff in 1885, over a century ago. Members are likely aware of where the 12 per cent proposal for land set aside has come from. I will spend some time this morning dealing specifically with why we have to get to at least that minimum figure of 12 per cent.

We must focus on system preservation and linkage of areas for the protection of species when we are talking about the 12 per cent. Areas must be linked whether we are talking about the flight paths of the whooping crane or other migratory birds or many land mammals. Many plant species require that kind of system linkage for their proper protection.

When we speak in this Chamber today and when we take the recorded vote on Monday, we are speaking for all of those in Canada who have no voice. I speak not only of some of the very young in this country and some of those who are unborn, but we must also realize that we speak for those many species that have no voice and yet suffer drastic harm and in many cases extinction at the hands of our species.

We need to keep in mind in this debate that 40,000 children will die today of malnutrition and disease. As the Brundtland Commission so accurately and carefully pointed out, one of the most fundamental building stones that we have to set aside on this planet are these set aside zones of 12 per cent of land and marine zones for a better understanding of this remarkable living planet.

Some 20,000 species will disappear this year, most of them in tropical areas. Some 80 per cent of our bio-diversity on this planet is in tropical areas. As I will point out in my remarks this morning a considerable number of species have become extinct, at our hands, in this country even during this century.

Between 1885 and 1929 Canada established 15 national parks at a rate of one park every three years. Sadly, in the next 20 years, only four parks were created. We have been in a bit of a stall in the years ever since; only 34 national parks have been created since 1885.

In 1989 the International Union for the Conservation of Nature and Natural Resources, more commonly known as the IUCN, identified only 3,500 protected areas around the world in 125 countries. I will also spend some time on why we need to complete the national parks system and to set aside the 12 per cent.

Canadians are light years ahead of the majority view which I believe is still held in this Chamber, although perhaps the vote on Monday will be a resonating, positive yes. In the most recent complete Gallup poll, the 1987 poll, extensive questions were put to the Canadian public, and 96 per cent of Canadians support strong government action to protect wilderness. In 1987 Canadians spent $5.1 billion on wildlife related activities, and existing national parks contributed $900 million to the Gross National Product and supported 34,000 person-years of employment.

It is important to note where Canada's national parks are. Let me refer to the rather excellent book called *Endangered Spaces*. In British Columbia there are 6,300 square kilometres of national parks, and those are six parks. In Alberta there are 54,000 square kilometres with 4.8 parks. The reason it is a broken number is that part of Wood Buffalo National Park lies in the Northwest Territories. There is also a transboundary park with British Columbia.

In Saskatchewan there are 4,700 square kilometres which make up two national parks, and in Manitoba there are almost 3,000 square kilometres with only one national park.

In Ontario there are 2,000 square kilometres with five small national parks, and in Quebec there are only 935 square kilometres with three national parks. In New Brunswick there are 445 square kilometres with two national parks. There are 1,300 square kilometres in Nova Scotia with two national parks, and in Prince

Edward Island there are only 26 square kilometres and one national park.

In Newfoundland there are 2,300 square kilometres and two national parks. In Yukon there are 32,000 square kilometres with two national parks. The Northwest Territories has 3.2 national parks with 74,000 square kilometres, again that is Wood Buffalo included. In all Canada there are only 182,000 square kilometres in our 34 national parks. If we look at the add ons in provincial and territorial parks, there are 1,160 of those parks comprising 138,000 square kilometres.

Interestingly enough, in all of our great country, in terms of wilderness areas, there are only 43 comprising 8,680 square kilometres. We still have no national sanctuaries for grizzly bears, for cougars, or for a lot of the large carnivores. We have no natural sanctuary set aside for many of raptors. As many members of this House would know, some of our most remarkable species, such as some of our falcons, have become extinct at the hands of DDT and other perhaps unintended efforts of mankind.

• (1200)

In terms of areas of provinces and territories, the total in Canada is 9,922,000 square kilometres so the total area protected is 6.3 per cent of our country. But if you look at the total area of reserves with no logging, mining, or hunting it drops precipitously to 254,000 square kilometers, only 2.6 per cent of Canada.

That is really what this debate is all about. As I said earlier, the international scientific consensus is that we are still going to continue to lose thousands, if not tens of thousands, of species per year until we take this kind of collective planetary action.

The debate here today has to be about what has been recommended by scientists to government, that if we do not take the opportunity to complete our national parks system by the year 2000 we will have foregone the opportunity.

And on the issue of 12 per cent, there is increasing and growing pressure coming from mining companies, logging companies and from other resource extraction interests to try to make sure that there are no further parks; national, provincial, territorial, or ecological reserves, yet 96 per cent of Canadians want serious action taken. As you will find from my remarks this morning, many of these national parks and ecological systems can be obtained at almost no cost. It requires government leadership and some durability of will. It does not require a lot of money.

Let me quote for a moment from *Our Common Future*, the famous Brundtland report, the World Commission on Environmental Development. From chapter 6 called "Species and Ecosystems: Resources for Development" we find:

> 1. Conservation of living natural resources—plants, animals and micro-organisms and the non-living elements of the environment on which they depend—is crucial for development. Today, the conservation of wild living resources is on the agenda of governments; nearly 4 per cent of Earth's land area is managed explicitly to conserve species and ecosystems, and all but a small handful of countries have national parks. The challenge facing nations today is no longer deciding whether conservation is a good idea, but rather how it can be implemented in the national interest and within the means available in each country.
>
> 2. Species and their genetic materials promise to play an expanding role in development, and a powerful economic rationale is emerging to bolster the ethical, aesthetic, and scientific cases for preserving them. The genetic variability and germplasm material of species make contributions to agriculture, medicine, and industry worth many billions of dollars per year.
>
> 3. Yet scientists have intensively investigated only one in every 100 of Earth's plant species, and a far smaller proportion of animal species. If nations can ensure the survival of species, the world can look forward to new and improved foods, new drugs and medicines, and new raw materials for industry. This—the scope for species to make a fast-growing contribution to human welfare in myriad forms—is a major justification for expanded efforts to safeguard Earth's millions of species.
>
> 4. Equallly important are the vital life processes carried out by nature, including stabilization of climate, protection of watersheds and soil, preservation of nurseries and breeding grounds, and so on. Conserving these processes cannot be divorced from conserving the individual species within natural ecosystems. Managing species and ecosystems together is clearly the most rational way to approach the problem. Numerous examples of workable solutions to local problems are available.

As I am often reminded, some of the poorest countries on the globe are light years ahead of Canada. We have 2.6 per cent of our land protected seriously as wilderness. Tanzania, which is a poor country, has 17 per cent of its land set aside and, of course, a great deal of the pressure that has been exerted for that has come from communities such as Canada.

There is a new approach called "anticipate and prevent". The historical approach of establishing national parks that are somehow isolated from the greater society has been overtaken by a new approach to conservation of species and ecosystems that can be characterized as "anticipate and prevent". This involves adding a new dimension to the now traditional and yet viable and necessary step of protected areas. Development patterns must be altered to make them more compatible with the preservation of the extremely valuable biological diversity of the planet. Altering economic and land use patterns seems to be the best long-term approach to ensuring the survival of wild species and their ecosystems.

Third World governments can stem the destruction of tropical forests and other reservoirs of biological diversity while achieving economic goals. They can conserve valuable species and habitat while reducing their economic and fiscal burdens. Reforming forest revenue systems and concession terms could raise billions of dollars of additional revenue, promote more efficient long-term forest resource use and curtail deforestation. Governments could save themselves enormous expense and revenue loss, promote more sustainable land uses and slow down the destruction of tropical forests by eliminating incentives for livestock ranching.

We know all of that, Madam Speaker. Many of us in this country are fighting hard to try to protect the tropical rain forests which are disappearing at the rate of one acre every second. As David Suzuki said to our caucus last weekend, if a creature had come from outer space and was stomping its way across Brazil and the tropical rain forests of this globe, humanity as a whole would unite to try to stop that monster from destroying our globe at a rate of one acre per second in the areas that have the greatest degree of biological diversity that there has ever been on the planet in those small and localized zones. So much is to be done there, and there are recommendations here about what to do.

But let us look at our own temperate rain forests of British Columbia, 80 per cent of which are gone. This is the old growth on the coast of British Columbia. There must be more national parks. Part of those areas, part of the 12 per cent solution of land and marine areas, has to include temperate rain forests which have the same carbon fixing capacity as do tropical rain forests. A third of the forests of Alberta are about to be put before the saws of international power brokers.

We already know that in this country we could save 80 million trees a year by simply having the same recycling requirements as the state of California. That is a third of the cut of the province of British Columbia. That is all of the cut of the province of Ontario. The same people who are being laid off at pulp mills now could be working in recycling plants. Yet no one wants to bring in a regulation mandating, absolutely requiring, recycling in this country so that we can protect lands and put them into the kinds of systems that I am talking about in terms of the 12 per cent solution and national parks.

We were fortunate in that the world commission had one of Canada's greatest minds working with it, Jim McNeil, who was the secretary general. In the concluding remarks in the section, "The Need for Action", where he talks about the number of conservation organizations and members around the world, he says the following:

> All of these indicate that the public puts a value on nature that is beyond the normal economic imperatives.
>
> In response to this popular concern, governments have been moving to help species threatened within their borders, primarily through the establishment of additional protected areas. Today, the worldwide network of protected areas totals more than 4 million square kilometres, roughly equivalent to the size of most of the countries of Western Europe combined, or twice the size of Indonesia. In terms of continental coverage, protected areas in Europe (outside the USSR) amounted by 1985 to 3.9 per cent of territory; in the USSR to 2.5 per cent; in North America to 8.1 per cent; in South America to 6.1 per cent; in Africa to 6.5 per cent; and in Asia (outside the USSR) and Australia to 4.3 per cent each.
>
> Since 1970, the networks have expanded in extent by more than 80 per cent, around two-thirds of which are in the Third World. But a great deal more remains to be done. A consensus of professional opinion suggests that the total expanse of protected areas needs to be at least tripled if it is to constitute a representative sample of earth's ecosystems.
>
> There is still time to save species and their ecosystems. It is an indispensable prerequisite for sustainable development. Our failure to do so will not be forgiven by future generations.

There can be no more telling phrase than that. Let me repeat it:

There is still time to save species and their ecosystems. It is an indispensable prerequisite for sustainable development. Our failure to do so will not be forgiven by future generations.

• (1210)

There is time to act and the costs are not great. I believe very recently was the anniversary of the minister taking on the most important portfolio in the country. Shortly after he assumed his portfolio some recommendations were given to him by the Canadian Arctic Resources Committee, the Canadian Nature Federation, the Canadian Parks and Wilderness Society, the Canadian Wildlife Federation, Ducks Unlimited, the Nature Conservancy of Canada, Wildlife Habitat Canada and World Wildlife Fund Canada. They are brief but I think they are very important to have on the record.

They said:

Despite substantial contributions by many government agencies over the past 100 years, the national network of protected areas is half finished at best. Canada has dedicated 6.3 per cent of the landscape to parks, wildlife areas and other nature reserves but only one-third of this is closed to resource exploitation. This is well short of the 12 per cent recommended by the Brundtland Commission. Only 21 of 39 terrestrial natural regions are represented by national parks and 3 of 29 marine natural regions are represented by marine national parks. Of 136 "Special Areas" identified in 1982 by Environment Canada as deserving protection in Canada's north, only 19 have been acted on. Only eight provinces or territories have park system plans to guide their contribution to the national network, and only four of these jurisdictions are more than halfway toward achieving their own park system goals. Canada is in danger of being identified as the "emperor with no clothes" by the international conservation community, especially given our opportunity as one of the last nations on earth with significant remaining wilderness.

I must interject at this point to remind members of the House, as David Suzuki reminded us a few days ago, that if we do not take action in this decade, in the year 2020 there will be no significant wilderness area left on the face of the earth. That is within the lifetimes of most of us sitting in this Chamber.

Canadians overwhelmingly support government leadership to get the job done. For example, a 1987 Gallup poll revealed that 96 per cent support government expenditures for wilderness protection and a 1981 Statistics Canada survey showed that Canadians spent $4.2 billion on wildlife related activities during 1980 alone.

And that has continued to skyrocket upwards. Nine out of ten Canadians make some use of wilderness during each year for spiritual and other purposes.

This broad support also manifests itself through focused public concern about specific sites such as South Moresby, the Saguenay Fjord and Toronto's Rouge River Valley.

By the reckoning of experts worldwide, the opportunity to complete the national network in Canada will all but vanish by the year 2000 as development and land use commitments overtake our last frontiers. This concern was emphasized by the Task Force on National Park Establishment in its 1987 report to the federal Environment Minister entitled *Parks 2000*.

Establishing protected areas need not be an expensive undertaking, especially if the goal is to reserve lands and waters primarily on Crown land over the next 10 years, leaving any "development" of services for the future. The important thing is to state clearly the conservation destiny of such lands and waters without further delay.

I know that I am running out of time, Madam Speaker. There are many more things I would like to touch on. Let me just conclude by saying how important I, personally, and I think all Canadians, take the vote that will occur at six o'clock on Monday. The completion of the national park system is possible. It is an objective that we must move toward. Setting aside 12 per cent of Canada requires the leadership of the federal government with the provinces, with the territories, with first nations, with conservation groups, with all Canadians of good will who want to see the ecosystems and species of this part of our planet fully protected for future generations.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Scarborough Centre.

Mr. Fulton: Madam Speaker, I rise on a point of order. There were discussions held earlier and I believe there is unanimous agreement in the House to hear the minister who has kindly stayed to participate in this important debate. He has another unbreakable commitment. If we could, perhaps sometime later at the convenience of the Chair have my ten-minute question period that would allow the minister to speak.

Mr. Caccia: Madam Speaker, we on this side of the House have agreed to that arrangement.

The Acting Speaker (Mrs. Champagne): If there is unanimous consent we will come back to the period for questions and comments later on.

Some hon. members: Agreed.

Hon. Lucien Bouchard (Minister of the Environment): Madam Speaker, first of all I would like to sincerely thank my colleagues who have agreed to make this

arrangement to allow me to participate in this very important debate.

Let me say that I agree in substance and merit with most of what has been said by the member. There are a few nuances to add and I would like to do so later on during my short speech. I would like to reserve most of my time for a question and answer period.

When I became the environment minister I was, of course, very much impressed by the importance of the burden of the portfolio. The more I studied the files and programs the more I could see that this is certainly one of the most important political challenges in the years ahead for all of us. There are days when there are negative feelings because it is very frustrating to be a minister, especially of the environment. We are squeezed between the high expectations of people and the government restraint placed on expenditures during a very difficult period.

One of the areas of the department which always gives me a lift is the parks system. The national parks, Parks Canada, are beautiful and Parks Canada is such a success that it is always encouraging for me to work in my department. When I experience a downfall I ask for Parks Canada people to come into my office and work on their programs and projects. Parks Canada is one of the country's greatest successes and is recognized all over the world. People should realize that our parks are not only beautiful for us but is an object of envy all over the world.

[*Translation*]

Madam Speaker, Parks Canada is an agency from which we ought to draw inspiration when establishing our country's future environmental policy. During the few years since the Brundtland Report was made public a good many people have spoken with deep conviction—and they have my full support—of the new concept of sustainable development which was coined to describe our common effort to reconcile environmental and economic priorities. Sustainable development is indeed a major concept. Madam Speaker, let me tell you that primarily through Parks Canada programs our country has now been fractising sustainable development for nearly a century, without realizing it, as did Mr. Jourdain when he wrote prose. One hundred years ago, we Canadians came to the conclusion that natural expanses must be preserved, not only because they are truly magnificient but also because there is a cause-and-effect relation between our future action in that field and the environmental benefits we stand to reap. For example, a number of years ago in Canada we had to come to grips with the ever present ecological problem created by economic development and tourism development and environmental protection. We Canadians, particularly those who work for Parks Canada, have known for quite some time that we must keep unsoiled the extraordinary wealth which we have chosen as sites for public parks and which will be our legagy to future generations. Yet at the same time the present generation should be able to enjoy all this. So how do we proceed? Because today's generation is ever more concerned over economic issues, development, jobs, as well as ready and practically unlimited access to our parks, we are faced with a conflict which must be resolved. Our policy in Canada is to go ahead and develop our parks, in so far as this will create jobs and attract tourists, of course, but never to the detriment of future generations.

So we did practice sustainable development even before these words gained widespread currency, and we can indeed stand proud of this achievement.

• (1220)

That being said, after these self-congratulatory and indeed quite legitimate comments, we must realize, as the hon. member pointed out, that it is absolutely vital to determine what remains to be done, and a great deal remains to be done! The regions, for instance. Canada has 39 different bio-regions. This is a measure of the tremendously diverse resources of this country, with 39 different types of bio-regions within its borders. We should be able to establish parks representing each of these bio-regions.

Today, after 100 years and some of the most successful efforts the world has known in this area, only 21 bio-regions are represented in the 24 national parks that exist today, but we have 39 bio-regions. This means that we must create 18 new parks. We now have to decide whether we have the political will and the budgetary commitment to complete the network.

Why the rush? I agree with the previous speaker that we must set a date. We cannot put off doing so indefinitely. The situation is changing so rapidly that we will never be able to reach our goal of 39 bio-regions if we let development gradually encroach on areas that are as yet unprotected. We can defend regions that are already protected, parks that already exist, but we can do very little to defend areas where we could and should create

parks and which today are very attractive to economic development.

What we must do is freeze the resources and the natural wealth of Canadian parks and make a commitment, as a government and as a country, to complete our network of parks by the year 2000. I have made this commitment, and I can inform the House that this is what the government is now working on. In my own department it is a top priority. In cabinet, it is among our three most important issues. I am referring to an environmental action plan for the next five years that will lead the way to implementing sustainable development throughout the country. One of the major components of this action plan will be to implement our commitment to complete the network by the year 2000.

Before answering any questions, I would like to say a few words about an additional commitment we have been asked to make, and that is to set aside, specifically, formally and mathematically, 12 per cent of Canada's territory for parks. This figure is taken from the Brundtland report.

I would like to point out to the House, Madam Speaker, that it is a general proposal that is in no way particularly intended for Canada and the proposal in the Brundtland Report makes no distinction between very small countries which are completely developed and where the very scarce green spaces which are in danger must be preserved immediately and a big country like ours where we have wide open spaces.

So is the 12 per cent rule binding on Canada? No, Madam Speaker! I do not know what the exact percentage is. For example, I do not know what standards my colleague is using when he says that 12 per cent of Canada's green spaces must be saved. Why 12 per cent? Why not 14 per cent? Why not 8 per cent? Why not 9 per cent? We have 6 per cent now. Six per cent of Canada is already more than many countries in the whole world.

Must we do more? I think so. I think that we should increase the percentage. But the important thing for me is first and foremost to create parks where they need to be created, to complete the system in the 39 ecological regions of the country. What percentage will this give us? We will find out as we go along. But I do not think it would be wise to set a figure like 12 per cent—that would lack the required flexibility.

Protecting the environment is not a bureaucratic operation. Completing Canada's parks system is not an accounting procedure. I think we have to be careful there! As far as I am concerned, of course, I cannot vote for the motion. It is a problem of form, which I regret, but we live in a parliamentary system. We perceive this motion as requiring a no-confidence vote. I will not vote no confidence in the government. But the basic principles contained in the motion seem perfectly acceptable to me, with the exception of the 12 per cent criterion. I think this percentage is quite debatable.

[*English*]

Mr. Fulton Madam Speaker, the minister seems to have confused part of my remarks. I think he understands very well where the figure 12 per cent came from. I quoted from the Brundtland Commission report. The members of the commission solicited material from biologists and others from around the world as they were travelling on the minimum level required to maintain at least a reasonable degree of biodiversity on earth. Twelve per cent was an internationally arrived upon consensus figure, that being the minimum. If we can get beyond that that is great.

I, for one, do not understand the rationale behind the minister's remarks about Canada having 6 per cent set aside in all of the possible park protection statuses that there are in this country. As I pointed out, the study done by the World Wildlife Fund concluded that only 2.6 per cent of Canada is actually really protected. Mining, logging and all kinds of other activities are allowed in that other 4 per cent, which is principally made up of provincial parks and others.

I have two questions. At the Toronto Conference it was decided to reduce carbon dioxide by 20 per cent by the year 2005. That was arrived at by consensus. In the Brundtland report 12 per cent has been arrived at by consensus. Canada is somewhere between 2 per cent and 6 per cent now and we need to get to 12 per cent or more.

Does the minister not think that it requires the leadership of the federal government to get there? We can see that for some provinces it is no longer possible. In P.E.I., New Brunswick and Nova Scotia it is very

difficult to set aside the kinds of areas that are required for biodiversity. That is possible in many other areas of the country, but it requires federal leadership.

Some provinces have done nothing even on park planning for two decades. They are basically shell departments. There is nothing going on there. I plead with the minister to agree that we do need to target what the international scientific community suggests, the 12 per cent or more; not less, because we are a big country. More because we, in fact, can achieve it.

Can the minister confirm to the House that there will be targets and timetables for the completion of the national parks system by the year 2000? I think Canadians are of enormous conviction and support for all members of this House to get on with this. We have to fight the pressures of the developers to set aside these lands, no doubt about it. But that is our responsibility, not just to the present generation. We are the last generation that has the choice and I think the choice has to be to opt to complete the national parks system and to go to the 12 per cent.

I thought under parliamentary reform that a vote such as this was not a challenge to the government, that that was the whole purpose by which James McGrath conducted the hearings that he did. It is not a confidence vote. I am confident that between now and Monday night Canadians, by the tens of thousands, will be phoning members of parliament of all all parties trying to persuade them to vote in favour of this motion, the first vote that has been taken in the history of this country, on 12 per cent and completion of the national parks system. Could the minister respond on the 12 per cent, on the targets and timetables?

I must say I am dismally saddened by the minister's earlier remarks that he considers this to be a matter of confidence and that even though he supports the motion he could not himself vote for it, because if the minister votes against it, I am confident many government members will follow his lead and vote against something that is in the national interest.

Mr. Bouchard (Lac-Saint-Jean): Madam Speaker, I would like to say a few words on the first question about the 12 per cent target. I will not commit myself and this government to the 12 per cent target right now because the main commitment is related to the completion of the network in terms of the 18 additional parks we have to create in Canada. This must be done before the year 2000.

The answer to the second question is, yes, there is a commitment from this government to complete the network by the year 2000. This means the creation of 18 additional new parks all over Canada. There is an additional commitment, while not so specific in terms of the number of parks, to the creation of a network of marine parks. We have many, many natural marine regions to protect in Canada and we are now in the process of conducting very intensive negotiations with the Quebec government to create a park at the mouth of the Saguenay River.

• (1230)

It is a very difficult negotiation because it must be completed outside the general pattern of the creation of parks because, as you know, the Quebec government is refusing to transfer ownership of the land to the federal government. We have to create new concepts with respect to the law so we will have what we need, which is a marine park. There will be many other parks before the year 2000.

I do not think that we can make a commitment to create all the parks required to represent the totality of the ecological regions of Canada as far as marine parks are concerned, because we do not know exactly how many regions there will be. It is a huge task to complete the networks of terrestrial parks, to create 18 new terrestrial parks, and at the same time, to create an unknown number of marine parks, when we do not know exactly the kind of pattern we would use.

Yes, there is a commitment for the completion of the parks system by the year 2000 with the establishment of 18 additional parks. We will make a clear and precise commitment in the action plan for the next five years. I intend to propose to my colleagues that we make a commitment for five new parks during the next five years.

Five parks are under immediate consideration. The east arm of Great Slave Lake, Northwest Territories is now being actively negotiated within the Dene-Métis land claim settlement process. Also, we have Northern Banks Island in the Northwest Territories. Consultations with the community of Sachs Harbour and the govern-

ment of the Northwest Territories have recently been reactivated.

There is also Blue Nose Lake in the Northwest Territories. Consultations with the community of Paulatuk, the Wildlife Management Advisory Committee and the government of the Northwest Territories began in 1989. There is also North Baffin Island in the Northwest Territories. Consultations have been under way for the past couple of years, focusing primarily on the local communities of Pond Inlet and Arctic Bay.

The Manitoba Churchill Park working group, comprised of federal and provincial officials and local people, has been set up to examine the feasibility of establishing a park in this area. This is where most of the polar bears live and breed in Canada. I have been in touch with my counterparts about this. Those are the five parks.

I do not commit myself that these will be the first five in the actual plan, but they are certainly under consideration. Those are northern parks, and we have to do a lot more in the north. The north and the Arctic are really threatened. They are very vulnerable. We must step in and create parks there as soon as we can. I would like to stress the priority of this program.

Just as a resumé, on the 12 per cent of parks, I do not want to be misunderstood. There is no precise or formal commitment by the government to the figure of 12 per cent. Of course, the current percentage of 6 per cent will be increased when we create 18 new national parks and more marine parks, but to what percentage, I do not know exactly. We will see that as the program is developed.

Mr. Caccia: Madam Speaker, I would like to offer the minister an opportunity to explain to Canadians why he can endorse and support the Brundtland report in its totality and then refrain from supporting and endorsing one of its clear recommendations which is the subject of the debate today. How can he do that?

Mr. Bouchard (Lac-Saint-Jean): The Bruntland report covers many issues and a high number of recommendations, as we all know. It has changed the environmental landscape of the world. This report is very important. I do not want to minimize or underestimate the importance of the Brundtland report.

But this debate is about the same issues, as our colleague has just mentioned, as the proposal made by the Toronto conference on climate change a few years ago when they proposed a reduction of 20 per cent in the CO_2 emissions by the year 2000. No country has, until today, made a commitment on this. I know that we will all have to make commitments when the International Climate Board files its own report later this year, probably in the fall.

It could be that some countries will make a commitment for higher reductions. Some will make a commitment for fewer reductions. For example, the French government will be in a position to make a very strong commitment for a very high reduction of CO_2 emissions. Why? Because in France there is a specific situation. They rely heavily on nuclear energy and nuclear energy does not issue CO_2 gas. In Canada, the United States, China and many other countries, it will be difficult to make a reduction of more than 20 per cent. So there are distinct and specific situations prevailing in different countries.

The Brundtland Commission was an international commission and they proposed and set a target for the whole world. We will try to do our best. In Canada in terms of absolute figures and absolute dimensions of land devoted to parks we stand as one of the best in the world, because 6 per cent of Canada is a lot more than 50 per cent of Switzerland. There is quite a difference. These things must be approached with flexibility and without losing contact with reality.

The Acting Speaker (Mrs. Champagne): The period for question and comment has now expired.

Before we proceed on debate with the hon. member for Davenport, I think we should revert to the question and comment period which was to follow the speech of the hon. member for Skeena.

Mr. Heap: Madam Speaker, the hon. member for Skeena in a very good presentation made a reference to the 39 bioregions in Canada which have been identified as needing to be protected. I am wondering whether he can relate that to the decision two days ago by Toronto City Council to adopt the year 2000 as the target year for reducing emissions of carbon by 20 per cent. The Toronto City Council committed itself, according to the report, to achieving a 20 per cent reduction of the 1990 levels of carbon gas emissions into the city's atmosphere by the year 2000.

It also agreed in principle to put $22 million from the proceeds of the sale of its Langstaff farm property into an atmospheric fund for initiatives such as reforestation in Ontario and outside Canada. My question to the hon. member is, do his bioregions, by any chance, include areas in southern Ontario which would be appropriate for this reforestation project proposed by Toronto City Council?

Mr. Fulton: Madam Speaker, I have followed with great interest what has been going on in the city of Toronto through its city council. I think their ideas of reduction of pollutants, which requires some co-operation with the federal government in terms of, for example, emission regulations on motor vehicles. They have gone far beyond that in terms of parking and additional licensing fees and so on, some ideas which have been adopted out of cities that suffer really serious atmospheric problems, such as the city of Los Angeles or Mexico City.

The idea that I particularly like in their proposal in terms of the recycling of carbon emissions is that of making use of the sale of, I believe, a piece of property and taking that $20 million plus and using it for the replanting of trees, not only within the city of Toronto and its environs, but also in other areas of the world.

We in this House all know that there are areas in Central America and other tropical areas where there are sites where much more significant growth rates are possible, and in terms of carbon fixing, that is one of the reasons why tropical forests are so important. Their capacity to rapidly recycle and to fix carbon dioxide through the carbon cycle is much greater than in our northern forests and even some of our temperate forests which only have a few months of the year to grow.

• (1240)

Let me just touch one more moment on the replanting part of that cycle which I think is very important. The Government of Australia announced earlier this week a plan to plant a billion trees between now and the year 2000. This is really a remarkably important proposal because of the significant areas of Australia that have been deforested and the capacity of that number of trees to fix carbon.

There are 39 bioregions in the country in the area known as the Canadian Shield which is perhaps an area that Toronto city council could look at. There are 11 of Canada's 39 bioregions and I think the Canadian Forest Service might be best to advise us which would be best. They are the Tundra Hills, the Central Tundra Region, the Northwestern Boreal Uplands, the Central Boreal Uplands, the West Great Lakes-St. Lawrence Precambrian Region, the Central Great Lakes-St. Lawrence Precambrian Region and the East Great Lakes-St. Lawrence Precambrian Region, the Laurentian Boreal Highlands, the East Coast Boreal Region, the Boreal Lake Plateau, the Whale River Region, the Northern Labrador Mountains, the Ungava Tundra Plateau, and the Northern Davis Region as well as the St. Lawrence Lowlands. I think that gives the members some idea of the vast geography, the vast size of these 39 Canadian bioregions and, of course, there are indigenous species of conifers and hardwoods that might be best planted in each of those locales.

Certainly the kind of leadership being shown by the city of Toronto is something that perhaps should be ruminated on somewhat more in this chamber. I find it quite disturbing to have heard the arguments of the Minister of the Environment as to why he is suggesting the completion of the national park system and the setting aside of the designation of 12 per cent of Canada's lands for full protection is somehow a challenge or a non-confidence kind of a motion to the government. I stand to be corrected by the Table and by the Speaker, but it is very important that we know before the end of today that my understanding of votable opposition days is that they are not to be considered as non-confidence motions in the government, that members are free to vote of their own conscience and so they should.

Perhaps, Madam Speaker, you could remark on this point sometime during the day because I think Canadians would like to know whether or not that is the case. I know there are many Conservative members, some of whom are here in the House who have already spoken to me and told me that they would like to support this motion.

Mr. Fisher: Madam Speaker, I would like to commend the member for Skeena for leading off the debate today and doing it in one of the grandest styles that could possibly be attributed to a friend of the environment.

I would like to commend him also for pointing out that the Ministry of the Environment is perhaps one of the most important ministries in the government. Another

very important ministry in the government is that of the Prime Minister and it seems to me, and I would like to ask the member if he could refresh the House's memory on something the Prime Minister had said in relation to the Brundtland report. My faint recollection is that he had commended it very highly and had pointed out to the House that Madam Brundtland herself had commended him for his support of it. Could you expand on that?

Mr. Fulton: Madam Speaker, I think it is an important point. It was raised by the member for Davenport with the minister a little bit earlier, but in relation to the Prime Minister. The Prime Minister, on behalf of Canada, did endorse the recommendations of the Brundtland report, the World Commission on Environment and Development, at the United Nations and received a resounding round of applause that rang around the world for doing so.

An hon. member: And received an award for it.

Mr. Fulton: That is right. He received an award and has spoken of the glowing terms in which he has been described by former Prime Minister Brundtland to the international community as a real leader on the issue of land and species preservation. I must say I find it quite shocking. The Brundtland report itself describes the requirement for the designation of 12 per cent of the land in marine zones of planet Earth as the absolute fundamental foundation of sustainable development and we have a government that is constantly espousing sustainable development.

If the actual locus building block is the setting aside of 12 per cent and the Prime Minister has endorsed it before the only formal international body that we know, which is the United Nations, and been given accolades from around the world for endorsing those recommendations, we cannot suddenly find the government ejecting the core recommendation of the royal commission and saying, "Well, we like everything else but the core recommendation", I think it would be hypocrisy of the very highest order.

I would hope that members on the government side think very carefully about the importance of the signal that is given to Canadians and the corporate community in this country and to the world, that we are dead serious about completing our national park system and not just the five north of 60 between now and the year 2000 but that we are going to complete in all the 18 bioregions and that might mean far more than 18 national parks.

Mrs. Browes: Madam Speaker, just to remind the member, without throwing too many accolades to the city of Toronto council, I would just like to remind the member that the metropolitan Toronto council recently voted to put garbage in the most sensitive area in metro Toronto and probably in Ontario, that is the Rouge Valley. There are other levels of government that have a lot of work to do on this.

First, I would like to compliment him on his interest in this and also the minister who responded in such enthusiastic terms of his commitment to the park system. Just a few years ago there was a task force report called Our Parks, Vision for the 21st Century, headed by Doctor Theberge. In those recommendations he talked about some new concepts of preserving significant pieces of property, the geography of Canada in terms of partnership.

I would like to ask the member to comment on this new concept, whether it is urban ecological reserves or whether it is Canadian heritage parks, but a new partnership, that we may have between levels of government dealing with preserving special pieces of property.

Mr. Fulton: Madam Speaker, I thank the member for the question because it is a very important one. There are individuals, groups, municipalities, and people all over this country and all over the world who are looking for the most proactive and most effective way of setting aside areas that are of enormous importance, either to them locally or to the world. I think there are all kinds of opportunities for partnerships. But let me start with what I would describe as the top end of the question or of the issue, the setting aside the 12 per cent of land and marine areas. The federal governments of every state around the world must take on the leadership in that role. They may not be the one who set aside the majority of that 12 per cent, but they must be the leaders because they have the majority of jurisdiction and tools in most areas around the world.

In terms of completing the national parks system, I am not one who believes in the philosophy that was espoused by Madam Blais-Grenier while she was here, which is that private Canadian citizens should be responsible for going out and fund-raising and for buying the land to create our national park system. I think that was a terribly unfortunate proposal. In terms of small ecolog-

ical proposals, local and municipal, I think there are opportunities for individuals, clubs and groups to participate in buying the lands and resources—

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member but his time has expired.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, we on this side of the House want to congratulate the member for Skeena for his motion. We support it, of course, from this side of the House. At the same time, I cannot help expressing a sense of being stunned, shocked or dismayed by the weakness of the minister's speech today and his reluctance to give a commitment to a motion which is put forward in an honest manner which asks for a commitment by the government to move toward the year 2000 in order to complete the national park system, land and marine, and to achieve or to protect at least 12 per cent of land and the marine zones.

• (1250)

I ask myself whether the Minister of the Environment is ill-advised or is he weak or is he insecure that he cannot get up in the House today and give a more positive speech to Canadians on this matter.

What is troubling him? Is he troubled perhaps by the fact that by the year 2000 he might achieve 11.2 per cent and, therefore, be reproached for that by parliamentarians and politicians at that time? Or is he troubled by the fact that he might overshoot the target and deliver 13 per cent and he would then be embarrassed by the applause? I do not know. I am puzzled by this kind of weak attitude. Or are we facing a classic example of leadership by rhetoric, in which case the member for Skeena has placed before us a fantastic motion that is putting to the test the political will of this weak, tired, unimaginative government. Maybe that is what is happening today in this House to the embarrassment of the Tory backbenchers who themselves could not believe their ears half an hour ago when the minister was taking such a weak political stance on such a fundamental matter.

The minister and his government have endorsed the Brundtland report. The Prime Minister spoke in support of it at the United Nations in September 1988. The Prime Minister went to the Hague in March 1989 and he has again indicated the support and the endorsement of this government, the Canadian government, which includes everybody, for the Brundtland report which contains this specific proposal. Now, when it comes to the first crunch, so to speak, to the test of truth, to the litmus test perhaps, here we find the minister getting up and saying, "Well, you know, we don't want to be bound by percentages. We somehow would like to be flexible. Therefore we have to vote against this motion because it could be interpreted as a motion of non-confidence in this government." What nonsense!

The member for Skeena made it quite clear in his interventions that this is not a motion of non-confidence. The member for Skeena has made it quite clear that he is referring, in his motion, to the Brundtland report and here, all of a sudden, we have a withdrawal. I ask, where is the commitment on the government benches to the Brundtland report when it comes to cutting down CO_2 pollution? What will they say then? "Oh well, you know it is something that we cannot precisely tackle for you. It is too complex a matter." Sure it is because if they fail on a matter that is fairly straightforward as the question of achieving a certain percentage to be set aside for national parks, then we can expect attitudes like that too.

This is a political debacle for the Conservative Party to come into the House today and make a statement of such a nature which indicates that really, they support with words, with rhetoric, with declarations, particularly abroad. They are very good at that, in making grand statements. When it comes to the heart of the matter at home, then they withdraw with some kind of weak excuses. What a sham!

I am glad to say on behalf of the Liberal Party of Canada that in the last election we did have a plank—and it was plank number one—a statement to the effect that we will expand, if elected to power, Canada's national park system. I am glad also to say that we did indicate directly in reply to a questionnaire that was sent to the Liberal Party of Canada during the election that we would complete this system by the year 2000. So we made, during the election, a general statement which was in the pamphlets which all of us distributed door-to-door and then a very specific statement as well by way of a communication to the Canadian Parks and Wilderness

Society that we would do it by the year 2000 as recommended by the Brundtland report.

We were also the only party to recognize that, in order to achieve that goal, money must be regularly set aside. Therefore we pledged to establish a special fund, a capital development fund, which would receive an annual allocation through budgetary means and would ensure that there would be adequate funds established in order to set aside these new parks.

I am beginning to worry as to whether the Minister of the Environment today cannot give a positive answer because he is afraid of what the Minister of Finance is presently doing to budgets of this nature. He is a foreboder of bad news. Somehow the capacity to perform, on the part of the Minister of the Environment, is undermined by the budget-cutting exercise that is taking place under the direction of his colleague, the Minister of Finance. Well perhaps he should be honest and tell the House that this is why he cannot give this kind of commitment, having endorsed the Brundtland report.

We should ask ourselves why there is a rush and why, by the year 2000, because this is the heart of the motion put forward by the member for Skeena. At first sight it is hard to believe that Canada could be in danger of losing its wilderness and its wilderness heritage. It is such a heritage which is closely linked to the extent of national parks and wilderness areas that we are able to put aside. Also, we have enormous stretches of land which are unoccupied.

Appearances are deceiving. We have lost the original Atlantic hardwood forest. On the west coast only a handful of unlogged watersheds still remain. Farmlands have replaced all but .2 per cent of Manitoba's tall grass prairie land. We will never be able to have a wilderness park area, in the Canadian sense, in southern Ontario because it is too late. There is not enough wilderness left. And in Quebec, the giant James Bay II hydroelectric development project will drown a very large area forever unless this project is stopped.

Last September the World Wildlife Fund and the Canadian Parks and Wilderness Society came up with an interesting idea. They launched in Toronto—and some of my colleagues here today were present that day—an ambitious 10-year program under the title *Endangered Spaces*. This campaign which is now under way puts forward five good reasons why we must act in a hurry by the year 2000, as the motion tells us.

First, according to the Committee on the Status of Endangered Wildlife—and I repeat and stress the linkage between wildlife and national parks—in Canada there are 183 species that we may lose unless action is taken to protect them and their habitats. To put this in other words, to save endangered species we must save endangered spaces.

Second, if within the next 10 years, we do not make the decision of reserving natural areas, we will have lost the opportunity to do so because there is urban movement, expansion and sprawling. There are other encroaching interests on such lands. This point was made very strongly by the task force on parks establishment and it is a point that is fully accepted and endorsed by conservationists across the country.

Third, Canada is one of the few countries in the world where the opportunity of protecting wilderness, as we know it, still exists and that is why we are the envy of the world and the admiration of tourists. Anyone who speaks about Canada sooner or later will be speaking about our wildlife. We have all experienced that when we have gone abroad.

Fourth, there are already serious conflicts and even fights over what is left. For example, you have the Carmanah Valley in British Columbia, and Temagami here in Ontario. These flare-ups are telling us that so far there is no clear understanding of the significance of what we have lost and the impact in the event that additional areas may be lost in future. This is why we, who come from Metro Toronto, are having quite an intense experience in correlation with the saving of the Rouge Valley. Though it may be limited in wilderness value, nevertheless it is the last opportunity next door to a metropolitan centre. This is why we would like to see it saved by the provincial government.

• (1300)

There is a long list. We know that South Moresby is in the process of being saved, thanks in good part to the efforts of your colleague, the Speaker. We know there is a constant battle about the Stein Valley whose future is still uncertain. There is definitely to be added to that list the Khutzeymateen in British Columbia and the Stikine Valley. There is Manning Park in the Cascades area, also in British Columbia. There is Robson Bight, the Akamina and Kishinena area, Nimpkish Island and the Tahsish-

Kwois area, the watershed to which I have referred. Then, the Haida nation's claim on Du Guusd, which is an interesting site, Brooks Peninsula, the mid-coast, particularly Calvert, Hunter Island and Mussel and Kynoch Inlets, the Tatshenshini-Alsek area to which one might add the Kakwa scenic area in the Rocky Mountains, and finally, as far as we know at least, the Redfern Lake which is described as the Lake Louise of the north. So, we are talking of significant sites that are in this missing package which should be put aside and which we should working on in order to complete our parks system.

There is also the pressure of the marine parks system about which the present government has been strangely silent. It was a system that was launched as a concept in the early 1980s and since the Conservative Party took power we have not heard much about that potential and particular component in the totality of the plan.

The World Commission on Environment and Development recommends, of course, that all nations should try to protect at least 12 per cent of their lands and waters for ecosystem conservation. It is interesting to learn from the report entitled "Our Common Future" that some nations have already done so. For instance, Costa Rica which has already protected over 20 per cent.

At this point Canada ranks twentieth in the world in terms of protected lands as a percentage of our total land base. The total area protected by national and provincial parks in Canada adds up to about 6.3 per cent. If we subtract areas where logging, mining and hunting are permitted, that 6.3 per cent shrinks to 2.6 percent of our total land base. As you can see, we still have a long way to go.

We know Temagami and the Rouge Valley are endangered areas in Ontario. So we have some work to do, not only in British Columbia but in other parts of Canada. In the case of Temagami, it is important to know that the red and white pine forests of northeastern Ontario are anywhere between 500 to 700 years old. These pine ecosystems are some of the last of their kind in North America still in a natural state, so far undisturbed by logging and other human activities. Their cultural and emotional value is immense and unmeasurable. Dr. Peter Quinby of Sir Wilfrid Laurier University writes, and I quote:

> These old-growth pine ecosystems should be preserved for scientific study. As well, they should be protected because they maintain water quality and soil stability, they retain large amounts of nutrients, they provide valuable genetic material and they provide important wildlife habitat.

Dr. Tom Hutchison of the University of Toronto writes, and I quote:

> The global loss of old-growth forest ranks with the damage from global warming and acid rain. The long-term health of the global forest must be first addressed in our own backyard.

Time is passing and I must watch the clock in coming to a conclusion. If this government is sincere in its commitment to the Brundtland Report, the government has an opportunity to show its interest in the Temagami area. If it is involved in the Rouge River Valley, as it is setting a precedent at the present time, why not show its willingness and its propensity in the Temagami area as well? We certainly urge the Minister of State for Forestry and the Minister of the Environment to find the courage to intervene in Temagami as they did in the Rouge Valley.

We are talking about the value that the public places on nature. It is unquantifiable and yet it is very high. Not only that, but it is mounting. Evidently the lifestyle that we have adopted over decades in urban centres makes the excitement that we feel in natural parks and wilderness sites much greater than it was 50 or 100 years ago. I cannot explain this but it is a visible fact that we come across politically every day.

The public places a high value on nature. This is why we were hoping to hear a positive statement on the part of the minister on this motion. This is why we were so disappointed, stunned and shocked by the minister's reply.

It is fair to say that in the history of national parks the Conservative government has been quite good at finishing Liberal initiatives but poor at initiating new sites. The previous minister completed several national park negotiations, but he left the cupboard bare for his successor. In other words, he finished the Liberal agenda. Now we want to see progress that is under the auspices and initiated by the Progressive Conservative Party of Canada. We have not seen any progress on Mingan National Park. Actually, it has been put aside. We have not heard of any progress on the Saguenay Marine Park. We have not heard anything on the general concept of marine

parks in general for a long time. What is happening? We do not know. I can tell you in conclusion that the speech today by the minister is troubling us as to the future and what Canada is in for by the year 2000 in not finding it possible to endorse such a recommendation in the Brundtland Report.

Mr. Heap: Madam Speaker, I commend the hon. member for Davenport on his speech. I know his commitment over many years to questions on the environment even before he became a Member of Parliament is very firm and sincere. I would ask him if he would comment to us on the apparent willingness of the Liberal government of Ontario to allow the invasion and destruction of the old-growth forest in Temagami.

• (1310)

Mr. Caccia: Madam Speaker, I deplore the behaviour of the Ontario government in Temagami as much as the hon. member for Trinity—Spadina. I wish they would find the necessary political courage to do what needs to be done and to set into motion the social shock absorbers that are needed for the workers affected in that area in order to carry them over. These decisions are difficult. Therefore, they require a convergence of environmental and social measures. It is the lack of social measures and this false dichotomy that it is either the environment or the economy that troubles many of us. We know that if we do not resolve politically and psychologically that false dichotomy—and in the long-term we do not see all these forces coming together—we will be left with no original wilderness and natural areas because there will always be pressure for their elimination and always for some reason. A classic example of that is what has happened to the forests in the Mediterranean area. All historical accounts and records tell us that the Mediterranean watershed was rich with forests. They began to be harvested intensively by the Venetians around the 14th century or 15th century. Those forests have not regrown.

I am sure at that time the Venetians made a very good case to exploit those forests for economic reasons. I suppose the same was the case for North Africa. The records indicate that the entire Mediterranean Basin, north and south of those waters, was richly endowed with forests. They are gone and I am sure that the same arguments are being raised these days for the cutting of Temagami and other areas that are in dispute. We must come around on that issue if we want to leave something for future generations to enjoy.

Mr. Jim Fulton (Skeena): Madam Speaker, I appreciate the courage of the member who has just spoken on the many issues on which we have fought together. I am still shell-shocked at the remarks of the minister this morning. I thought there was a lot more spirit in the man as a man and I thought there was a lot more energy in the man as a minister than has come through this morning.

The majority of bioregions that are still without representation are south of sixty. They are in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, and particularly in Quebec. Quebec is the most under-represented bioregion in North America. The majority of the cabinet are from Quebec but they do not seem to understand, let alone the maritimes. It is interesting to be talking about the vulnerability of the Arctic.

I know that some time today the Speaker will remind all members of the House that this is not a non-confidence votable motion and I would like the member to touch on that. I would like the member to touch on the shock that I share with him on what I believe is the first member of this Conservative government to publicly reject the recommendations of the Brundtland report. It happens to be the Minister of Environment. It is truly shocking and I would like to quote from a very excellent article "The Upshot" to get the member to tie those three things together and respond:

> —in a 1987 national Gallup poll, over 95 per cent of Canadians voiced their approval of government spending to preserve our wilderness areas. This high level of support extended across all regions of Canada, and among all socio-economic groups. Not surprisingly, 96 per cent of those who had visited a national or provincial park within the past two or three years favoured such spending, but even among those who had not made such a visit the approval level was high, at 91 per cent. These kind of data are further buttressed by powerful Canadian opinion in favour of protecting the environment in general. For example, 93 per cent of us say we shouldn't relax environmental laws to achieve economic growth, 88 per cent say protecting the environment is more important than keeping prices down, 87 per cent are upset about the lack of action taken to protect the environment, 84 per cent participate in wildlife-related activities, 82 per cent express concern about saving endangered species, 70 per cent say we should do

more to protect the environment even if it means jobs must be lost in the process, and 70 per cent believe that major spending on the environment would in fact have a *positive* effect on the economy.

It seems to me that the minister and his government are wildly out of touch. Perhaps the hon. member for Davenport could touch on the parks that have been proposed. If there are only five out of the 18 bioregions to be represented between now and the year 2000, that means the 13 representative bioregion areas would have to take place between 1995 and the year 2000. Would he comment also on the non-confidence matter.

Mr. Caccia: As usual, the member for Skeena asks very penetrating questions. I will try to deal with one of them at least and that is on the nature of his motion because I share his view that this is not the motion that would put the existence of this government into danger. Actually, I came into the House convinced that this would be a motion that the government and Progressive Conservative backbenchers could support with ease, in good conscience and also with a certain sense of political pride because it would reflect their own commitment. Also, no one would come into this chamber on January 2, 2000 and say "Oh, well, look. It is only 11 per cent. You have failed to deliver". I imagine the parliamentarians at that time would rejoice.

We certainly do not see this as a non-confidence motion. Even if the government were to interpret this to be a non-confidence motion, what stands in the way of them defeating it if they want to defeat it, if it is really that serious? But, it is not. If the government supports it, the government will not fall. Even if the government defeats the motion, it will have inflicted on itself a very serious political wound for the reasons we have discussed. So it seems to me that it would be a win-win situation for the government by coming in on Monday and voting for this motion. It would reinforce the political commitment and the political will that they have expressed internationally and at home, since the publication of the Brundtland Report.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The question and comment period is now over. It being 1.18 p.m., I do now leave the chair until two o'clock p.m.

At 1.18 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, the goods and services tax as proposed by the Conservative government will, among things, severely affect post-secondary education and amateur sports in Canada.

The 7 per cent tax will hit students especially hard. According to the Canadian Federation of Students, the GST will cost students approximately $200 a year. At McMaster University in my riding of Hamilton West, this will mean that a total of $2.1 million will be extracted from students' pockets by this regressive Conservative GST.

Since half of all post-secondary students earn less than $7,000 per year, students cannot afford to have the GST eat away at what little money they have left on restaurant meals, prepared foods and, yes, the very tools of education, books for their courses.

Also, many students have been very active participants in amateur sports. Like many families who have already found the cost of their children participating in amateur sports extremely high, students will also have to bear the additional burden of adding 7 per cent to the cost of memberships, equipment and travel.

Students, and 72 per cent of all Canadians, say enough is enough and call upon this government to scrap the tax.

* * *

[*Translation*]

THE QUEBEC WINTER CARNIVAL

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, under the theme "At the heart of the world", the 36th annual Quebec Winter Carnival will be officially launched tonight with the crowning of the 1990 Carnival queen.

This Winter Festival the pride of Quebeckers, has over the years ranked among the largest festivals in the world. Of course, Mr. Speaker, this success is due to top-notch

people such as the president of the 1990 Carnival, Mr. Marcel Veilleux, who is also known for his *joie de vivre* and his tremendous vitality, as well as all volunteers who are supporting him wholeheartedly and all participants who share the same enthousiasm, whether in the wind and cold or under a spring-like sun.

In closing, Mr. Speaker, I would like to extend a warm invitation to all my colleagues in the House and all the Canadian people to come and see for themselves how friendly and welcoming Quebecers are.

Welcome to the Quebec Winter Carnival "At the heart of the world", which runs from February 1 to February 11, 1990.

* * *

[*English*]

CANADA POST

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, yesterday a three-person delegation from Prince Edward Island came to Ottawa to appear before the Consumer and Corporate Affairs and Government Operations Committee to express concern about Canada Post's uncaring and undemocratic activities on the Island.

As the meeting proceeded, a Conservative party member of the committee indicated that she would no longer be able to maintain her presence at the meeting. The chairman asked opposition members to promise not to move motions that might embarrass the government because the government would not have enough members present to defeat those motions.

I objected, but to the surprise of those present, the chairman chose not to ask for a replacement of the government member and instead adjourned the meeting, sending the P.E.I. representatives home without a proper hearing and removing my right as a member to further question the witnesses or request committee support for their position.

I am deeply saddened by the actions of the committee chairman who left the people of Prince Edward Island without a proper voice on one of their strongest concerns, the retention of post offices in Island communities.

S. O. 31

ENTREPRENEURS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I am pleased to report that Canadian entrepreneurialism is alive and well, despite the doom and gloom scenarios which continue to dominate the projections and statements from members opposite.

Notably absent are any acknowledgements of the Canadian entrepreneurs or companies which have taken advantage of access and proximity to the vast American market. For example, I have yet to see anyone, including the member opposite, applaud the recent accomplishment of Montreal-based Imasco Ltd. Yesterday the company announced that its fast food subsidiary was purchasing the Roy Rogers fast food restaurant chain for $365 million U.S.

Through such an acquisition, Imasco now enters into the U.S. markets where it was absent. Just think of the implications here. Roy Rogers, a name synonymous with Americanism and tradition, is now going to be Canadianized. Oh my! What have members opposite got to think about this?

Bold Canadian entrepreneurial initiatives such as this deserve due recognition and salutation from all members of this House. I put it to you, Mr. Speaker, that proper assessment and developments in the North American trade and commerce requires a two-sided coin, not conveniently one with two heads.

* * *

[*Translation*]

SPORTS

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it gives me great pleasure to congratulate the athletes, trainers and organizers of the first world ringette championship.

[*English*]

These games are currently being played in arenas in the city of Gloucester. A total of eight teams are involved including representatives of Finland, the United States, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

I hasten to add that all games are drawing record crowds.

Together with my fellow constituents in Carleton—Gloucester, I salute the efforts of those who initiated the idea of bringing these championships here. Their countless volunteer hours of preparation have culminated in a world class event.

[*Translation*]

Good luck to all athletes!

* * *

MEDIA

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, it is with no light heart that I rise today to denounce an anti-Quebec hate campaign on which have embarked a number of Toronto media and especially Quebec city *Toronto Sun* correspondent Peter Stockland.

By writing that the mere mention of a so-called Quebec culture would prompt Herman Goering into drawing his 44 Magnum, the journalist who claims that the poor Quebec Anglophones are persecuted by their fellow citizens and their Government can only exacerbate the current tensions between francophones and anglophones in Canada.

Mr. Speaker, in this crucial period for national unity and the future of Canada, Canadians can do without such invitations to violence and intolerance from certain irresponsible journalists and media.

I strongly urge journalist Peter Stockland and the *Toronto Sun* to apoligize publicly not only to Quebecers, but to all Canadians.

* * *

NATIONAL TRANSPORTATION AGENCY

Mr. Guy St-Julien (Abitibi): On January 31st, 1990, Mr. Speaker, the National Transportation Agency announced that the Canadian National Railways could not stop operating the Franquet-Chapais line in the Chapais subdivision.

The Agency ordered the CNR to carry out the necessary work to update the line and resume operation by July 31st, 1990. The Agency determined that the real losses incurred by the CNR in the operation of this line amounted to $590,444, which is considerably less than the $5,403,646 which the CNR had tabled for the years between 1984 and 1987.

Moreover, the Agency questioned the amount of savings in operating costs which the CNR had forcasted following the abandonment of the line. It expressed its concern about the evidence showing that the CNR was following a rail service demarketing policy on this line.

Mr. Speaker, the people in the Abitibi-Chapais area are grateful to Mr. Weinberg, who chaired the meeting, member Nicole Forget, as well as Councils Michèle Hurteau, Claude Jacques and Danielle Bouvet of the National Transportation Agency.

* * *

[*English*]

ITALIAN CANADIANS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, there has been a great injustice that has gone on in this country for 50 years, and that is the government's refusal to apologize to Italian Canadians for the internment of 700 Italian Canadians during the Second World War.

In 1939, Mr. Dominic Nardocchio of Sydney, Nova Scotia, was 35 years of age. He was taken from his wife, his eight children and the job that he had and was interned for two years because the government felt he committed one crime and that was being an Italian Canadian. After 50 years, the Government of Canada still refuses to apologize to these people.

The National Congress of Italian Canadians in Canada wants only one thing, an apology. That is not asking too much. I would ask the government of this country to make this apology today to these Italian Canadians.

* * *

THE ENVIRONMENT

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, Manitobans are getting a hard lesson in just how little Conservatives everywhere care about the environment. The Manitoba Eco-Network, a group diligent in their defence of the province's environment, has had to close its doors today because of a lack of funding. Not only is its share of federal money inadequate, but the Filmon government in Manitoba has so far refused to even grant it enough money to survive until the next fiscal year in

April. On top of this, the federal government will not grant this group charitable status.

Now we hear that the Minister of the Environment is promising the electors in Chambly a new park if they vote Tory on February 12. This is the same park that was promised to Chambly in 1988. When asked why he was repeating a two year old promise, the minister said that elections were the time to make promises.

• (1410)

We have learned that lesson in Manitoba as well. We remember that the Prime Minister promised Winnipeg the new International Centre for Sustainable Development in the 1988 election. Since that time, there has not been another word about it from the mouths of the Prime Minister or the Environment Minister, except at international conferences to brag about this non-existent centre. Elections may be the time to make promises about the environment, but for the Tories there is never any time to keep them.

* * *

BLACK HISTORY MONTH

Mr. Peter L. McCreath (South Shore): Mr. Speaker, today marks the beginning of what has been designated as Black History Month across Canada.

It is appropriate that a Nova Scotian rise to draw the attention of this House to this important and symbolic observance, because Nova Scotia has long been the home of a significant and substantial black community. The first black person came to Canada as an interpreter with Samuel de Champlain to Port Royal in 1605.

Others came as loyalists after the American Revolution including, I might say, the ancestors of my black constituents in the town of Shelburne. Black immigrants have continued to come to Canada from all parts of the world.

For 200 years, black Canadians have contributed significantly to our historical development and to our culture. Much of this contribution, I might say, is celebrated at the Black Cultural Centre in Westphal, Nova Scotia. Black Canadians continue to make a significant contribution to the economy and culture of Canada.

I urge all Canadians to note and to welcome the observance of Black History Month as well as to use as an occasion to reflect upon the need and degree to which this contribution is adequately or inadequately reflected in our mainstream national institutions, both public and private, economic, political and cultural.

* * *

THE ENVIRONMENT

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I commend Dupont of Canada for its recently announced pledge to eliminate toxic emissions from all its operations by the year 1995.

I note that this goal by Dupont demands a performance at levels above all legal requirements and I commend Dupont for that action.

Since Dupont received the gold medal for environmental achievement from the United Nations World Environment Centre two years ago, this new initiative will serve to further enhance Dupont's reputation for environmental awareness around the world.

* * *

[*Translation*]

ROMANIA

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, since my statement last November 29 on the situation in Romania, we have had the joy of seeing the Romanian people successfully free themselves from the yoke of Communist tyranny. But despite the appearance of a new team of leaders, the country is still desperately short of medical supplies and food. We are told, for example, that there is one syringe for 20 patients, surgical instruments are rusty and medication of all kinds is greatly lacking.

We can do something to help ease this unfortunate situation if we want to. The International Red Cross in Geneva is accepting donations to provide some of what Romanian health institutions lack. Furthermore, and to conclude, Mr. Speaker, Romanian Canadians in the riding of Outremont which I have the honour to represent may set up a local organization which could send medicine, surgical instruments and food to Romania.

S. O. 31

RIDING OF CHAMBLY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, yesterday in Saint-Bruno in the riding of Chambly, the Minister of the Environment (Mr. Bouchard), who is also the government's "godfather" for ridings on the south shore of Montreal, made another fine election promise to the voters in that constituency. This promise had already been made by his colleague, the Minister of Communications, during the last election campaign when the Progressive Conservative Party was doing everything to re-elect Richard Grisé. We know now where the promises made in the last election got him! The voters in Chambly also remember another promise from the Minister of Transport (Mr. Bouchard) made on behalf of the Prime Minister (Mr. Mulroney) the day after the Saint-Basile-le-Grand disaster.

Once again, this government has made a promise that it did not keep. The people of Chambly deserve better than Conservative or Liberal promises. Mr. Speaker, they deserve a real member of Parliament, a New Democrat!

* * *

RIDING OF CHAMBLY

Mr. Michel Champagne (Parliamentary Secretary to Minister of State (Forestry)): Mr. Speaker, I hope people in the constituency of Chambly have realized how much contempt the New Democratic Party has for this institution, this House of Commons.

Last night, it must have been very clear to them that, rather than work at extremely important legislation, the New Democratic Party chose to waste the time of the House of Commons and its members by shamefully challenging the rulings of the Chair.

How can people in the constituency of Chambly take seriously the comments of the New Democratic Party candidate, who wants to represent and defend them in this House, when in fact his party's ultimate goal is to prevent this institution from working properly.

Mr. Speaker, I would like to conclude on this word of caution to the constituents in Chambly: Remember that during the 1988 election, Ed Broadbent and his gang supported Meech Lake and the "distinct society" clause.

Mr. Nystrom: Not all of them!

Mr. Champagne (Champlain): After that election, they all reneged on that Agreement, thereby refusing to recognize the historial legitimacy of Quebecers. We might expect the same from the so-called "star" candidate who quite clearly has no political clout in his own party.

Mr. Nystrom: He will be elected.

Mr. Champagne (Champlain): And, more ironic still, he has the gall to refer to honesty.

* * *

[*English*]

BILINGUALISM AND BICULTURALISM

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, today is the twenty-fifth anniversary of the Royal Commission on Bilingualism and Biculturalism.

[*Translation*]

In their report, the Laurendeau-Dunton Commission suggested that Canada was going through the worst crisis in its history. History seems to be repeating itself today. Unfortunately, language equality is far from being achieved. To ensure equality between both official languages, sustained leadership and understanding between Canadians at every political level will both be needed.

[*English*]

This anniversary reminds Canadians of the work accomplished in the past 25 years to foster understanding and a spirit of co-operation between English and French-speaking Canadians. We must continue to promote harmony and to recognize the considerable contribution made by both linguistic and cultural groups to Canada.

Our two official languages are characteristic of Canada. Whether we are English or French speaking, we are all Canadians proud of Canada and its heritage. Happy anniversary. *Bon anniversaire.*

ORAL QUESTION PERIOD

[*English*]

CANADIAN NATIONAL RAILWAYS

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister. Yesterday, the Prime Minister dismissed calls for the resignation of Brian Gallery from the board of CN by suggesting the situation was not urgent. I suggest to the Prime Minister that CN's integrity as a Crown corporation is at stake, as is the integrity of the conflict of interest guidelines authored by the Prime Minister.

Will the Prime Minister assure the House today that Mr. Gallery, the Prime Minister's appointment as acting chair, as a member of the board of CN, has resigned or has been removed effective today from the board of CN? Will he further assure the House that a thorough, complete and independent investigation into Mr. Gallery's activities at CN will be carried out and made public?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will repeat, substantially, what I said yesterday. The decision concerning allegations reported by *The Globe and Mail* and other newspapers—these have been evaluated and will have to be evaluated by the chairman of the CN board of directors.

This morning, I was again in touch with the chairman of the board who is looking at the facts, and I have been informed, Mr. Speaker, that Mr. Brian Gallery has resigned as vice-chairman. I think we should let the chairman of the board assess the facts and report his findings, and we will then look at his assessment and the recommendations made in his report.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I thank the minister for his answer. I have a supplementary question for the Minister of Transport.

The minister should know that Canadian National is refusing to provide members of this House and indeed other interested parties with a copy of the logbook for the executive dining car used by the president and/or chairman and/or any of 26 vice-presidents at CN.

Since Crown corporations are not required to comply with the access to information code, the only way that information can be made available is as a result of a request by the Minister of Transport. I ask the Minister of Transport, will he direct—

• (1420)

Mr. Mazankowski: How far back do you want to go?

Mr. Tobin: —the President of CN to make the logbook on all of those eight executive cars available to members of the House of Commons so that we may ascertain, as members, that those cars have only been used for legitimate CN purposes and for no other private purpose?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am always surprised when the Liberal Party demands an explanation about rules they themselves made when they were in power. I may remind the hon. member once again that the integrity of the proceedings in this House depends basically on one thing: an assessment of the facts. The hon. member referred to reports about the use of the dining car, and so forth. I believe Canadians are satisfied when they hear that the person responsible for the corporation, the chairman of the board, is looking at the facts of the case to which the hon. member referred, and that depending on his assessment of those facts, he will report to the Minister of Transport and we will then consider what our response will be. I think everything is there, everything is opend. I hope the hon. member will have the patience to wait for the normal process to take its course.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, it is indeed a pathetic sight to see the Minister of Transport attempt to duck, on behalf of himself and the Prime Minister, the responsibility for this mess by passing it over to the brand new chairman of CN who has only been in the job a few months and who, by the way, was appointed much like Mr. Gallery, as a consequence of his presumed ability and his affiliation with certain members opposite.

Mr. Gallery's letter of July 5, 1989 to CN is a matter of public record. It is also a matter of public record that, in addition to carrying advertising by CN, Mr. Gallery's magazine *Seaports and the Shipping World* also carries advertising for Government of Canada Crown corporations, including four pilotage authorities, seven port corporations and Ports Canada, every one a Crown corporation that reports to the Minister of Transport.

My question is straightforward. Can the minister ascertain whether or not any of these other Crown corporations which report directly to the minister have been subject to any of the same kind of letters or attempts to squeeze extra advertising dollars out of them for Mr. Brian Gallery's magazines?

Mr. Speaker: There is no basis for the latter part of the question and, left as it is, it stands in substitution of a charge. The hon. member knows that that is not appropriate. The hon. minister may want to reply, but I am saying that the question, as asked, is out of order.

* * *

STATUS OF WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is to the minister responsible for the status of women. In a report today to the United Nations, this government will attempt to gloss over the gross inequities for women in Canada. Will the minister admit that Canadian women not only are poorer than ever, but that the GST and UI cuts and over–all increased living costs are increasing not decreasing discrimination against women in Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, far from admitting any such thing, I think the hon. member has to admit that Canadian women are better off today than they were five years ago by quite a long way, that there are fewer women living in poverty today, and that our employment equity is helping women in the workplace.

Last week the President of the Treasury Board announced the most fair pay equity plan that we have seen in this country and yes, women are better off. This does not suggest that we do not have some problems. I would remind the hon. member that her party did not bring in the kind of pay equity that we did and we are looking forward to more progress for women, not less.

Ms. Mary Clancy (Halifax): Mr. Speaker, I do not know how closely the minister has looked at the pay equity provisions that were announced last Friday, but they are pretty poor and they are fractional as opposed to the needs of Canadian women. The minister should know that and so should the President of Treasury Board.

[*Translation*]

Mr. Speaker, my supplenmentary is directed to the same minister.

What steps does she intend to take to finance new programs designed to help women in Canada, and especially the National Day Care Program.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the government set up a day care program, and the Liberal senators blocked it! It is not our fault—it's the other place—

[*English*]

This government continues to be committed to women, and we have made progress continually for women. We have broadened the base of support for women, not just through the women's program but through health and welfare and our initiatives on family violence, and through the nearly $400 million of pay equity program that was announced last week by the President of the Treasury Board. The hon. member should be applauding what has been going on for women in this country instead of complaining.

* * *

BANK OF CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Minister of Finance. Today's increase of 30 base points in the bank rate is bad news for all Canadians. That increase puts us back to May 1989 levels. It hurts farmers, it hurts small business people, it hurts home buyers, it hurts the poorer regions of this country.

When is the Minister of Finance going to assume his responsibility, tell the Governor of the Bank of Canada that enough is enough, you are hurting Canada, and roll back the interest rate?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that sort of bravado simply does not work. She knows that we cannot just roll back interest rates. The primary objective—

Mr. Rodriguez: You rolled them up.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I would encourage the hon. member not to take advice from the people on her left and her right.

The primary purpose of our monetary policy, supported by our fiscal policy, is to get inflation down. What we have seen in recent weeks as we tried to get interest rates down, a minimal reduction in interest rates, was an over-reaction in the exchange markets.

In the interests of getting long-term growth in the economy, it is important to achieve stability in financial markets. That is what has been happening in recent days, and in that regard I fully support what the Governor of the Bank of Canada is trying to do.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the minister knows that excessively high interest rates tend to increase the deficit. The government is proposing the GST to reduce this deficit.

If the government really wants to reduce the deficit, why this contradiction between its fiscal policy and its monetary policy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I have said on many occasions, the best way of getting interest rates down on a permanent basis is to get inflation down. One of the ways of getting inflation down is by encouraging, through interest rate policy, a reduction in the demand for credit. That is the purpose of the policy of the Bank of Canada. As we have seen in recent days and weeks, there has been some apparent sign of success here. We want to encourage that success to continue because if it does, we will be able to get interest rates down on a permanent, long-term basis.

In the 1970s when the Liberal government ignored the pressures of inflation, we got 20 per cent and 25 per cent interest rates. If that is what my friend is striving for, she is going in the wrong direction, certainly a different direction than this government is going.

• (1430)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians know that the way to get the interest rate down is to get the Tories out.

Some hon. members: Out!

Ms. McLaughlin: The minister keeps saying that because of the deficit Canadians have to tighten their belts, that because of the deficit Canadians have to accept an insufferable 7 per cent new sales tax. The minister knows that a 1 per cent increase in interest rates adds $4.4 million a day to the deficit. What a waste, $4.4 million a day, 365 days a year.

Is it not time to cut interest rates and stop cutting programs for Canadians?

Some hon. members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did not hear the question. Could she repeat it?

Ms. McLaughlin: Yes, I can, Mr. Speaker. I asked the minister if it is not time for the minister to cut the interest rates and stop cutting programs for ordinary Canadians.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the other side of what the hon. member has just said is: if she does not want interest rates cut, she wants to increase inflation. If she wants to increase inflation, then what she is doing is hurting the very people who she wants to help, people in low income brackets and people who are senior citizens living on fixed incomes.

Mr. Nystrom: What about the GST?

Mr. Wilson (Etobicoke Centre): Her seat mate just said: "What about the GST?" I want to take some time here to correct the Leader of the New Democratic Party. She said that the GST is going hurt those who are on low incomes and hurt those who are senior citizens. That is absolutely wrong.

We have brought in the GST credit, as a result of which 84 per cent of people who are 65 years or more or single-parent families will get the benefit of the GST credit.

With the benefit of the GST credit they will be paying less sales tax after sales tax reform than before.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the Minister of Finance speaks of the goods and services tax. I would like to quote Mrs. Jean Woodsworth, president of *One Voice*, the Canadian seniors network. She said: "The tax on goods and services means hardship on seniors. It seems that low and middle income seniors will be pushed toward poverty. The proposed tax credits do not reassure them." That is what seniors think of the minister's answer.

[*Translation*]

Mr. Speaker, the minister knows that the elderly need the services of lawyers and accountants, as well as certain general maintenance services such as plumbers, electricians, car mecanics, and also homemakers, either to do their shopping or housecleaning. All these services will be taxed under the GST proposed by the government. The minister will have 4,000 tax policemen to monitor the application of this tax.

Doesn't the minister agree that these additional tax levies are unfair to our grandparents?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will say to the hon. member and to the Leader of the New Democratic Party that we have indicated in the GST paper dated December 19 the impacts of the GST combined with the GST credit. Let me just read out for the hon. member the impact on single individuals over 65. With an income of $12,500 they are better off by $148; with a $15,000 income they are better off by $80; with a $20,000 to $25,000 income they are better off by about $140.

If the member for Kingston and the Islands and the member for Yukon disagree with these figures, they owe it to the seniors of this country to prove where those numbers are wrong, numbers that have been certified by the best in the Public Service of Canada. If they cannot prove that those numbers are wrong, they should not be misleading senior citizens.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, if the minister had listened to my question, he would realize that senior citizens are the ones who say this tax is wrong; not just me.

We have two wrong policies here: the goods and services tax and high interest rates. The minister knows that the cash payments will be inadequate to help seniors who are spending all or nearly all their income to maintain themselves. Even funerals are to be taxed.

The minister urges Canadians to buy now and beat the tax. Does the minister not realize that seniors find this pay now and die later tax policy repugnant?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is neglecting to point out to the senior citizens to whom he has been talking the number of things that are not taxed under the GST.

Rentals are not taxed. Residential rents are not taxed. Basic groceries are not taxed. Meals-on-Wheels are not taxed. Health services are not taxed. Glasses and hearing aids are not taxed. Medical devices, canes, wheelchairs, and things like that are not taxed.

A wide range of products is not taxed under the GST. Those exemptions, together with the GST credit, are what makes this tax a fairer tax for senior citizens today than is the case with the existing sales tax.

* * *

CANADIAN NATIONAL

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister.

I want to return to the matter of Brian Gallery and Canadian National. Could the Prime Minister confirm that Brian Gallery has resigned only as vice-chairman of Canadian National and remains on the board of Canadian National at the nomination of the Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): I was informed, Mr. Speaker, before coming into the House that he had resigned both as a director and a vice-chairman.

My understanding is that he could not hold the position of vice-chairman unless he were a director.

Hon. Herb Gray (Windsor West): Mr. Speaker, one of my colleagues just checked with Canadian National and was informed that Mr. Gallery is still on the board.

I would appreciate it if the Prime Minister or the Minister of Transport would confirm to the House, immediately after Question Period or during Question Period, whether or not Mr. Gallery remains on the board of directors. If his conduct is such that he should resign

as vice-chairman, certainly he should not remain on the board of directors.

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, of course, if I receive this information before question period, I will produce it in the House. I simply want to inform the Liberal House Leader that he is prejudging certain events or facts, I do not want to, and I would ask him once again to have the decency to wait for the chairman of the board's assessment. I think that is a basic courtesy we owe to any Canadian before making any judgment whatsoever, Mr. Speaker.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, it is unfortunate that the minister himself did not take the action to remove Mr. Gallery from CN instead of waiting for Mr. Gallery to resign.

My question is for the Minister of Transport. In Mr. Gallery's letter of July 7, 1989 he makes references to two companies that have potential business with CN: Cast and Maersk.

Has the Minister of Transport entered into an investigation to determine whether or not Mr. Gallery in fact followed through with his suggestion in the document that as a good friend of these people he would ensure that CN would not get the contracts?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will just repeat what I said to his friend in the Liberal Party. The chairman of the board investigates.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question.

Would the Minister of Transport agree to table in this House the copy of any correspondence received by him from the chairman of CN with regard to this investigation?

Furthermore, would he agree to communicate with the chairman today to insist that part of his investigation include an investigation of whether or not Mr. Gallery talked to the two individuals involved?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I hope my friend understands that I will not direct the chairman of the board of CN to determine what are my facts in terms of that case.

• (1440)

He will determine himself what he will investigate. He will report to me, and I will advise at that time.

Once again, it is not I but the chairman of the board who will determine which facts he will consider.

* * *

GOODS AND SERVICES TAX

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Finance about the goods and services tax program.

Some hon. members: Oh, oh!

Mr. Riis: Here it comes.

Mr. Bird: You are not going to like this question, but why not listen?

The existing manufacturers' sales tax is already prepaid primarily at 13.5 per cent on a large volume of stocks and inventories being carried by many Canadian companies, many of them in small business.

On January 1, 1991 under the GST program, the existing tax will be terminated and refunds will be made to these companies for the amount of tax then being financed on their inventories on hand.

What will the impact of these refunds be on the cash flow of Canadian companies? Will these refunds be processed and paid in a timely fashion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member has pointed out, there will be a rebate of taxes paid on inventory held by companies as of January 1, 1991. That amount is difficult to be precise about at this time, because we do not know exactly what the inventory will be. Our guess is that it will be of the order of $2 billion.

It will be paid out in part immediately, but there will be a hold back, which I expect would take about three to six months to confirm, and then that final amount will be paid.

[*Translation*]

TRANSPORT

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is for the Minister of Transport. Back in 1985 our government signed a $25 million agreement with the Province of Quebec for the construction of a highway between Alma and La Baie. Unfortunately, even after six years the government of Quebec has not managed to spend that money, so much so that the Saguenay—Lac-Saint-Jean region stands to lose $11.2 million if nothing is done.

Can the minister tell the people of Saguenay—Lac-Saint-Jean whether his counterpart in Quebec City has been in touch with him to find a solution so that the region will not lose these millions of dollars and that the Alma—La Baie highway link may be completed as soon as possible?

Hon. Benoît Bouchard (Minister of Transport): Indeed, Mr. Speaker, under the 1985 federal-provincial agreement we earmarked $12.5 million, as did the government of Quebec, for the highway referred to by my colleague.

For reasons best known to them, Quebec government officials have yet to invest more than $6 million of their total appropriation. I will soon be meeting with my colleague the Quebec Minister of Transport and I intend to raise this issue because the funds have been and are still committed by the federal government, and hopefully the government of Quebec will come up with its share of the funds allotted.

* * *

[*English*]

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of the Committee on Privileges and Elections from the province of Newfoundland and Labrador, led by the chairman, Mr. Danny Dumaresque.

Some hon. members: Hear, hear!

[*Translation*]

HOUSING

Mr. Alfonso Gagliano (Saint-Léonard): My question is directed to the Minister of State for Housing. Montreal is the Canadian city to be hardest hit by the abolition of the RRAP which helped renovate rented housing and kept rents moderate, Mr. Speaker. Does the minister understand that Montreal is unique in Canada in that 80 per cent of its people are tenants and that the cuts in the last budget, which Montreal is still suffering from, will make the rent increases unafforable for the least fortunate Montrealers, because the RRAP was abolished? Will he restore housing assistance for Montreal?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as I said yesterday, we have set up a tripartite committee composed of representatives of the federal and Quebec governments and the cities of Montreal, Verdun and Quebec to find a solution to this problem. I hope that the committee will come up with a solution very quickly.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the government should look into specific cases before abolishing the program. While the minister is studying, the number of homeless Montrealers is growing.

Will the minister tell this House, Canadians and Montrealers what measures he is going to take to help those Canadians who cannot pay the higher rents when the GST takes effect in January 1991?

[*English*]

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as the hon. member is well aware, currently the federal government assists some 600,000 households right across the country.

In this past year and in order to help those needy Canadians to whom the hon. member is referring, particularly in Montreal, the federal government participated in and assisted financially almost 2,500 new housing projects. That included about 18,000 additional housing units for needy households across the country.

In total it meant that the federal government guaranteed capital assistance to build those housing units in the amount of $1.2 billion in 1989. We are providing subsi-

dies this year for just those new housing units in the amount of another $34 million.

There is a considerable amount being done, and we will continue to do everything we can within the resources available.

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FINANCE

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of Finance. The minister has confirmed again this day that he is preoccupied with only one economic policy: inflation.

When will he look at what his high interest rate policies and his high dollar policies are doing to Canadian consumers and to Canadians who have to invest in Canada to make us competitive in global markets? The French and the Germans are paying 6 per cent interest rates for their money, and we are paying 13.5 per cent.

When will he think about what it is doing in terms of our high dollar cutting off our exports? When will he think about what our high interest rates are doing in terms of exports themselves and our manufacturers who have to compete in world markets?

When will the minister get off this monomaniacal policy of high interest rate?

An hon. member: Where were you between 1980 and 1985? Where were you, Jim?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member has made some valid points. I agree with him that we must be concerned about our competitive position. We must be concerned about the level of interest rates, but we also have to recognize that there is a very close relationship between the level of inflation and the level of interest rates. That is what we are trying to do, and we are trying to draw that to his attention.

Let me remind him that before he was on the other side of the House he had a somewhat different point of view on these matters. On May 14, 1981 he said this is about the whole question of interest rates and inflation: "If hon. members think there is a magic fix or a quick solution, there is not".

Some hon. members: Oh, oh!

An hon. member: Who said that?

Mr. Mulroney: Did you say that? Did you say that, Jim?

Mr. Lewis: It must have been David.

Mr. Mulroney: You stand up and apologize right now.

Some hon. members: Oh, oh!.

• (1450)

Mr. Peterson: Mr. Speaker, how soon the hon. minister forgets.

Some hon. members: Oh, oh!

Mr. Peterson: I remember so well his words in those years criticizing high interest rates policies. He was dead set against them. We stand on principle today.

Some hon. members: Oh, oh!

Some hon. members: Hear, hear!

Mr. Speaker: The hon. member for Willowdale will put his question.

* * *

BOEING CANADA

Mr. Jim Peterson (Willowdale): Mr. Speaker, my supplementary question is another matter involving economic mismanagement of Canada's affairs. It is directed to the Prime Minister.

In 1986 the government received $90 million for the sale of de Havilland to Boeing. Will he confirm today that the government is paying over $150 million to Boeing, in effect meaning that this deal will have cost Canadians over $60 million?

Will he confirm at the same time that this payment to Boeing involving a $51 million grant for the new Dash–8 has no guarantees of jobs in Canada and absolutely no guarantees that research and development and design have to be done in Canada?

In other words, Boeing could take its money, pack up at Downsview and move to Seattle. What is he going to protect Canadian jobs and to protect Canadian workers?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, the hon. member was not around in 1986 when the negotiated sale took place.

I want to remind him that those were the questions asked by the Liberals in those days. As a matter of fact, the hon. member for York Centre stood at the gate handing out pamphlets to the workers, telling them that they were all going to lose their jobs because of privatization.

Let me give the hon. member the facts today, and I will be very accurate with them. In 1985 employment there was 4,290. Today it is 5,813.

Some hon. members: Hear, hear!

Mr. McDermid: They are developing new planes there. There is new technology being developed there. Their sales have doubled and their order books are full. They are doing a very fine job not only at de Havilland but in Arnprior in the Ottawa Valley and in Winnipeg as well.

It has been a good deal for Canada. Yes, we are negotiating with Boeing on cleaning up some of the final negotiations on the agreement. When they are ready and the deal is finished, we will announce it.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is directed to the Prime Minister.

In an interview with Pamela Wallin on December 20, 1985 the Prime Minister of Canada said at that time: "The Government of Canada has not run the taxpayers' business very well. Why should we be in the business competing with the private sector losing $1 billion? We want to save those jobs in Toronto. We want to protect that technology."

The Prime Minister went on further to say: "The state should not have a primary role where the private sector can do a better job. We shouldn't be subsidizing with your tax dollars a Crown corporation to compete with the private sector".

After making these statements why is the Prime Minister's government going to bail out Boeing and give it another shot at the trough after privatization, to the tune of $150 million of taxpayers' money here in Canada?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, there is no bailing out here whatsoever.

A deal was consummated between the Government of Canada and de Havilland back in 1986. The deal at that time was very complete. Many changes were required in the operations of de Havilland to ensure that the company could become viable over the long term.

Part of that potential settlement relates to items we specifically agreed to cover, as well as other categories of potential liabilities, which is normal in any kind of a deal. That is what the negotiations are about. There is no such thing as a bail-out. That is nonsense.

Mr. Barrett: Mr. Speaker, I want to thank the Prime Minister for his answer!

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, the minister who responded to my question to the Prime Minister neglected to mention that at the current moment lay-offs are taking place at the plant. At the current time there are subcontracts and contracts going out to South Korea, China, Egypt and the United States.

Will the Prime Minister tell us and the Canadian people why it is necessary to use taxpayer's dollars to subsidize jobs in these other countries while lay-offs are taking place and money is being shoved out?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, that demonstrates why that individual was a premier of a province for three short years. The people in British Columbia smartened up pretty quickly by booting him out.

What nonsense. None of this money goes to subsidize jobs in other countries at all.

Mr. Barrett: You are contracting out.

Mr. McDermid: As a matter of fact, de Havilland is selling planes made in Canada in all those countries he talks about. There are something like 1,600 more jobs today at de Havilland in Toronto.

Mr. Barrett: They are contracting out.

Mr. McDermid: Those people are paying taxes. They are gainfully employed.

Speak to your union friends in Toronto, ask them how they like the jobs. They like it very well, thank you very much.

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CENTRAL EUROPE

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Prime Minister. President Bush's announcement yesterday of new initiatives for the withdrawal of American troops from central Europe was just

the latest in a series of initiatives by both eastern and western leaders with regard to the stationing of foreign troops in the countries of central Europe.

What is the position of the Government of Canada on this subject? More particularly, what is the position of the Government of Canada with regard to the continuing presence of Canadian forces in central Europe?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the decision the President announced last night was one that Canada had been consulted on. It is one that we had had the opportunity to discuss with President Bush and with others over some considerable period of time. It is one on which we congratulated the President prior to his making it public last evening.

We think it is a very strong indication of the quite excellent reactions, both in the east and the west, to developments over the last several months. It is a very healthy and positive sign.

The Government of Canada is part of NATO. We have always indicated and conveyed our intention to act in concert with our allies. We will be doing precisely that. The Minister of National Defence and the Secretary of State for External Affairs have had ongoing discussions in a number of important areas.

When something more is ready to be conveyed publicly, we will be happy to do it.

Hon. William Rompkey (Labrador): Mr. Speaker, the leaders who have taken these initiatives and the countries that have taken these initiatives have done so on the basis that the Cold War is over. Yet the white paper of the Government of Canada is still extant and the government stands behind the Cold War rhetoric in it.

Does the Prime Minister not agree that the white paper of the Government of Canada is completely obsolete and completely outdated? When is he going to offer some initiatives for the defence of Canada for the Canadian people, and particularly for members of the Canadian Armed Forces whose moral has hit rock bottom?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. gentleman identifies the white paper which was written in 1984–1985 and enunciated in 1987. The facts of that day were accurate. I am sure, as much as we would all like to be able to look forward with clarity, the changes that have taken place in eastern Europe over the last six months were not anticipated by myself, by the Prime Minister or, I am sure, by the hon. member.

I would suggest to the hon. member that the actions taken by President Bush, by NATO and by the Warsaw Pact at a time when there is great instability in the world are lending to a stable reduction in arms, bringing security to the world and peace to Canada. We all hope it works. Patience and prudence at a time like this, I would suggest, is the best course for Canada and other NATO allies.

• (1500)

Mr. Speaker: There will be a single question from the hon. member for Winnipeg North Centre, followed by a single question from the hon. member for Moose Jaw—Lake Centre.

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THALIDOMIDE VICTIMS

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. On January 18 of this year the War Amputations of Canada, in pursuit of its compensation claims for Canada's Thalidomide victims, met with the Department of National Health and Welfare, which indicated it would respond within two weeks. That deadline is today.

Thalidomide victims have been through a lifetime of disability and suffering. They deserve redress and they deserve a fair deadline for a response.

Could the Minister give the House today a definitive date as to when it would issue its definitive decision? Would the Minister assure the House that it would immediately conclude a compassionate and generous settlement with the Thalidomide victims of our country? Fairness delayed is fairness denied.

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, in December when I made an announcement to the House of Commons with regard to extraordinary assistance to haemophiliacs, those who

contracted AIDS through the blood system, I indicated that the government was prepared to sit down and discuss with Thalidomide victims and others their particular circumstances. We have been continuing to have those discussions. I think it is appropriate that any answer that we have to convey to them be conveyed to them directly as opposed to being conveyed on the floor of the House of Commons.

This is a matter to which we assign considerable importance and we will do everything we can to reach an agreement which is fair and compassionate and which recognizes the needs of the people involved.

Mr. Speaker: This will be the last question. The hon. member for Moose Jaw—Lake Centre.

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ATLANTIC CANADA

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Transport. Contrary to all the evidence, the Prime Minister says that there is no crisis in Atlantic Canada, yet it is his government that has added to Atlantic Canada's problems by the proposed cancellation of the At & East program.

Despite the fact that this bill has not even been debated in the House, I have learned that the railways have been instructed by the government that all new contracts after July 16, 1989, would not receive the At & East rate and that all extended permits at the At & East rate were to end yesterday.

Because of this program the elevator at Saint John has announced that it will be closing at the end of February, and that is only the beginning. The loss of this program means the abandonment of railways and the possible closure of Atlantic Canada's only flour mill.

My question is very simple. Given the fact that this program has injected some $26 million and 250 jobs annually into Atlantic Canada, and given the fact that his bill has not even been debated in the House, will the Minister admit that his department has improperly instructed the railways to boost their rates on shipments of grain and flour to Atlantic Canada?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would like to consider the information provided by my colleague about the company and I will get back to the hon. member. Once again, I do not believe that is the fact, but I would like to check that out and I will come back to the hon. member.

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POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Speaker: I have a point of order from the Hon. Minister of Transport.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I just want to confirm what the Prime Minister said during Question Period in response to the question from the hon. member for Windsor West. Mr. Brian Gallery has resigned from CN from both positions.

Mr. Speaker: The hon. member for Winnipeg—Transcona on a point of order.

COMMENTS DURING DEBATE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my point of order arises from a claim made by the Minister of the Environment in the House earlier today with respect to the motion before the House which reads:

> That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that that Canada protect at least 12 percent of land and marine zones.

The Minister of the Environment made a procedural claim with respect to this motion to the effect that it is a non-confidence motion. This motion is not a non-confidence motion. You will recall, Mr. Speaker, that as a result of the changes to the Standing Orders brought in by the recommendations of the McGrath report, as it is popularly known, the language of confidence was taken out of the Standing Orders having to do with opposition days. So for the Minister of the Environment to get up and suggest that he could not support this motion because this is a motion of confidence is completely false. This is not a motion of confidence. It is only a motion of confidence in the political sense if the Prime Minister chooses to make this motion a matter of confidence, and one can only ask why the Prime Minister would decide to do that.

Did the government fall when we passed the resolution on an opposition day having to do with South Moresby? Was that a matter of confidence? The fact of the matter is this is not a motion of non-confidence. It is a motion on which members of the cabinet, government back-benchers, opposition back-benchers, everyone has

the opportunity to express their support. I can only conlude that the minister is trying to hide behind a false and mistaken interpretation of the Standing Orders.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that debate should properly take place during the debate on the particular motion. However, I want to say from the standpoint of the government that there may be a day when we do review the rules and perhaps more specifically outline exactly what could take place.

My hon. friend did not mis-state it intentionally but I think he would realize that the South Moresby motion, when debated, did not have a vote attached to it. It was not a confidence motion with a vote as today's is. It was an agreed upon motion after debate was entered into, and there is a great difference.

My hon. friend has a point but the government is of the opinion and holds the position that this is a confidence motion. I am really disappointed in the New Democratic Party. I want to make it very clear that the Liberal Party did not do this. To play petty politics with something as important as the environment is just not understandable.

Mr. Speaker: The hon. member has raised a complaint on a point of order. The government has responded and I do not think it is something on which I should make a ruling.

COMMENTS DURING QUESTION PERIOD

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, further to the point of order raised earlier by the Minister of Transport which arose out of questions and answers in Question Period, I want to make clear that we accept fully that neither the Minister of Transport nor the Prime Minister were attempting to mislead the House in any way. The Minister of Transport, *Hansard* will show, indicated that Mr. Gallery has resigned as vice-president of CN. There was no reference to his directorship.

I called CN and spoke to them directly during Question Period. I was informed directly by CN that Mr. Gallery had resigned as vice-chairman, but not as a director.

It is for that reason that we on this side put a second question to the government. I think it ought to be clear that nobody, on either side, was attempting to mislead this House today.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I just want to confirm what I said. I checked that out myself with, I believe, people who would normally receive letters of resignation. I can say to the House that Mr. Brian Gallery has resigned as vice-president of the Board and as a director of CN.

Mr. Speaker: I think it is very clear, as the hon. member pointed out, that the questions were asked on the basis of answers given earlier. I thank the hon. minister for coming into the House and clarifying the matter.

The hon. member for Trinity—Spadina on a point of order.

BLACK HISTORY MONTH

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I wish first to commend the hon. member for South Shore on his statement drawing our attention to the fact that this is the beginning of Black History Month. However, since I know the hon. member would not wish to mislead this House intentionally, I wish to advise him of my information that the first black man recorded to arrive in Canada was Matthew De Coste, a black man of Portuguese ancestry, who, as a navigator for Jacques Cartier, arrived on the *St. Lawrence* in 1535.

Mr. Speaker: One of the very first Canadians. I thank the hon. member for that information.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, this being Thursday, I want to ask the customary question of the government House Leader to enable him to give a statement of government business to this Chamber.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to advise the House that tomorrow will be an allotted day. Monday we will continue debate on Bill C-62, the goods and services tax bill. Tuesday we will continue debate, and probably finish debate, on Bill C-62.

• (1510)

Mr. Jim Fulton (Skeena): Mr. Speaker, I wonder if the government House Leader could advise members of the House what has happened to the environmental assessment and review legislation. It was promised in this House, in committee and publicly by the Minister of the Environment, that it would be brought before this House last fall. We are now fairly well past the fall. As a matter of fact we are almost out of winter, I think. Perhaps the government House Leader could tell us where the environmental assessment and review legislation is.

Mr. Lewis: Madam Speaker, if my hon. friend will check the Standing Orders he will find that Question Period runs from 2.15 to three o'clock and that is a very valid question to ask the Minister of the Environment during Question Period.

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[*Translation*]

POINT OF ORDER

BUSINESS OF THE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have a question to submit to the House and hon. members. The Orders of the Day say:

> Not later than 15 minutes before the ordinary hour of daily adjournment, every question necessary to dispose of proceedings shall be put forthwith in accordance with Standing Order 81(14).

My question, Madam Speaker, is this: Since earlier today we adopted a proposal to postpone until Monday the vote on the motion before the House, would it not be possible, in order to have more debate, to have more time so that hon. members can speak on this important motion, that we agree that the bells will not ring at 5.45 but rather at 6 o'clock as usual and then we will see if there are enough votes to justify a recorded division on the question before us?

It is just a matter of adding some time, 15 minutes more today, so that we can have more debate and more members can participate.

[*English*]

Mr. Jim Hawkes (Calgary West): Madam Speaker, just for the sake of precision, I think we should try to get the extra 15 minutes for debate. Certainly we would be in unanimous agreement with the rest of the House to do that.

To be precise, I do not believe there needs to be a bell today. I think a voice vote would take place at six o'clock instead of 5.45 p.m. If the voice vote is called one way or the other and enough members stand in their places, then the deferral would be made to Monday, in which case the bells would ring on Monday at 5.45 p.m. and the vote would take place at six o'clock on Monday. I think that is the precise understanding members should have.

The Acting Speaker (Mrs. Champagne): The House had heard the suggesting made by the hon. member for Ottawa—Vanier. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Gauthier: On another point of order, Madam Speaker, we would like to give notice to the House that the Liberals would like to divide the 20 minute periods allocated to us on our rounds into two 10-minute periods followed by a five-minute question and comment period. That is, again, in an effort to try to give our members more time to debate this very important motion. We are very much interested in debate.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, in the normal tradition of opposition days we would certainly agree to that. We would like to keep the option open as to whether or not the New Democratic Party would follow the same course, but I understand it will be open to all parties to use, if they wish, or just to continue in the traditional way.

Mr. Hawkes: Madam Speaker, certainly the government would go along with that on the understanding that the government has the option also. Any party can use 20 minutes for one speaker or divide it between two speakers.

The Acting Speaker (Mrs. Champagne): The Chair would appreciate it if each and every member who seeks the floor would advise the Chair whether he or she intends to take the full 20 minutes or share time with one of his or her colleagues.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL PARK SYSTEM

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

> That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 percent of land and marine zones.

Mr. Bill Blaikie (Winnipeg Transcona): Madam Speaker, one cannot help, when one begins to debate this particular motion before us today, but contrast this day with another day in the life of this Parliament some time ago when all members of Parliament joined together to unanimously pass a motion having to do with the preservation of South Moresby as a national park. That, for me, was one of the finest days certainly in my time as a Member of Parliament. The government of the day, the same government that we have now, saw no threat in the coming together of all members of Parliament behind the particular motion. That makes it all the more mysterious why today the Minister of the Environment rose and opposed the motion which we have before us.

Perhaps just for the record I will read the motion moved by the hon. member for Skeena:

> That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 percent of land and marine zones.

All that this motion would do, if it were to be passed, would be to give parliamentary approval to a goal that the government itself up, until today, had not renounced. Indeed, I would suspect that on many occasions it has indicated that this is the government's goal.

So why on earth would the Minister of the Environment not get up and say to the hon. member for Skeena, the environment critic for the New Democratic Party, that this is a motion which he would be glad to have passed. It would certainly be helpful in his relationships with his own department and his bureaucrats, in his relationship with the business community and in his relationship with environmentalists—in all those relationships that he has to enter into in order to fulfil these goals which, up until now, we thought were the goals of the government—to have the unanimous support of the Parliament of Canada in doing so.

It sort of boggles the mind to reflect on why the Minister of the Environment would be so intent on not having the backing of Parliament and so intent on destroying his own reputation. Here was an opportunity for him to shine in a way that a previous environment minister, Tom McMillan, had with respect to South Moresby when he agreed that a motion having to do with South Moresby would pass the House. Instead, we have the Minister of the Environment getting up and making a very spurious argument indeed with respect to the fact that this motion is a non-confidence motion.

As I said earlier on a point of order, although Mr. Speaker ruled that it was not something that he wanted to comment on as a point of order, this is only a motion of non-confidence to the extent that the government declares it to be so at the political level. The objective of the McGrath reforms passed in this House in 1985 was to take the language of confidence out of the Standing Orders with respect to supply motions, which had traditionally been, as part of parliamentary tradition, a matter of confidence. This was sort of a lay-over in the language, if you like, because actually opposition days had nothing to do with supply any more. They were simply an opportunity for members of the opposition to move motions. But because they were still under the rubric of supply, the language of confidence had lingered beyond its meaningfulness.

That language was taken out of the Standing Orders precisely so that Private Members, to use the language of the Prime Minister himself when he mandated the McGrath commission, would be able to vote as they chose on matters like opposition days, so that no longer would we have government or opposition members being able to hide behind the language of confidence. In the days before the reform it used to be that opposition members would vote in favour of an opposition motion even though they did not support the substance of the motion because they said they did not want to miss any opportunity to express non-confidence in the govern-

ment. Of course, the reverse argument was used on the government side. As a result, we did not have an opportunity in Parliament for members of Parliament to express themselves outside this whole notion of confidence and non-confidence. That was the purpose of the reform. Yet here today we have the Minister of the Environment getting up and doing exactly what the reform was intended to prevent. Having raised it on a point of order, the Minister of Justice and government House Leader gets up and says—and I can only interpret it this way—that at the political level, not the procedural level, this is now a matter of confidence for the government. Why would it be a matter of non-confidence in the government if a motion supporting the goals that it alleges itself to have were to pass?

• (1520)

I rest my case, Madam Speaker. I do not want to talk about the procedural point all day because there are other things to talk about. One of the other things to talk about, of course, is what over-all context the minister's behaviour ought to be placed in today. That over-all context is getting to be an over-all context and record of disappointment when it comes to the environment.

The member for Lac-Saint-Jean, the Minister of the Environment, came to this House with a great deal of expectation held by a great many people in all parties. When he was made the Minister of the Environment there were people on all sides of the House who thought that here is a guy who might make a difference, here is a guy close to the Prime Minister, a Quebec lieutenant or whatever, maybe he can make a real difference. Instead, what happened is he had to be taken to court twice in order for the federal government to live up to its responsibilities for environmental review vis-a-vis the Rafferty-Alameda Dam. He had to be taken to court twice.

He finally did the right thing, on the last possible day he could have done it, when 60 per cent of one of the dams was already completed. Is this the great environmental hope of the Conservative government?

With respect to the international centre for sustainable development which was promised in 1988 in Winnipeg by the Prime Minister during the election campaign, have we seen anything that would give us any reason to believe that there was any sincerity in that promise at all?

I see the hon. member for Provencher is in the House. Maybe he would like to get up later and explain why we have not seen any sign at all in Winnipeg that this centre will actually ever be built. Instead, the Prime Minister and the Minister of the Environment will go about the globe announcing, at various environmental conferences where they get, believe it or not, awards, this international centre that they are building in Winnipeg about which they have done absolutely nothing.

How long will it be before the Canadian public wakes up? I think the Canadian public has woken up to the fact that when it comes to the environment these people are charlatans; these people are frauds; these people are tricksters; these people do not mean what they say when it comes to the environment.

Some hon. members: Hear, hear!

Mr. Blaikie: Shoal Lake is another Manitoba-Ontario transboundary issue. We are getting it from both sides in Manitoba. We are getting arsenic in our drinking water from Ontario and we are having the Rafferty-Alameda Dam pollute the Souris River.

What do we get from the government? The hon. member for Brandon—Souris got up, when responding to me in a late show not to long ago, and said that this is not really a matter of federal jurisdiction. And I got a letter from the Minister of National Health and Welfare the other day saying that even if he passed a safe drinking water act it would still be up to the provinces.

This is leadership? Basically it is a do anything you like to the environment scenario. These guys won't do anything unless, of course, you have enough money and enough time—and thank God the Canadian Wildlife Federation did—to take them to court and make them live up to their own responsibilities.

What we have asked for in this motion is what the Brundtland Commission asked for. We have the Prime Minister dancing all around the globe saying he supports Brundtland. He even reminded me in the House one day that he got an award from Brundtland. Yet his government is unwilling to support a motion that calls upon it to live up to the Brundtland Commission report with respect to the setting aside of natural lands, not tomor-

row, not by next year, but by the year 2000, ten years from now.

This is not some ridiculous claim but simply a claim based on the scientific evidence that if we do not do this by the year 2000 we will not be able to do it ever because the very lands that need to be set aside will have disappeared as a result of development and other means of transformation.

The government opposes this motion, Madam Speaker. Surely the government is concerned, as everyone is, about the disappearance of the tropical rain forests, whether it is in Brazil, Sarawak or wherever. The government's attitude to this motion is that it has no intention of setting an example. It has no intention of being able to speak to these other countries about what they are doing to the global environment from any sort of moral high ground at all.

In fact some of these countries which are the object of global concern have already set aside more land as wilderness area, or as untouchable area, than Canada has. And yet our governments and many Canadians, in a quite self-deluding way, imagine that we are the sort of environmental good guys in the world. We are not. We have clear cut more acreage in Ontario and British Columbia than we would ever want to admit to the rest of the world. And in Manitoba now, as the result of a deal called the Repap Deal, we have ceded a fifth of the province to some entrepreneur who will turn it into disposable diapers and various other unneeded paper products. That is where we are at environmentally and yet we propose to lecture the people of Sarawak or the people of Brazil.

I think we should lecture the people of Sarawak or Brazil. But in the same way that we felt in order to make a real case to the United States about acid rain we had to have an acid cleanup action program in our own country, we need to show that we are serious about preserving old growth forests, tropical forests, whatever the case may be, on Vancouver Island and in various other parts of Canada. We have not done that. The barbarism with respect to our forestry continues. We act as if it is still the 19th century. That is what is at stake here.

I cannot imagine a more devastating argument in international circles than to have some of these countries—they have embassies here, they will notice when this is raised in international fora—say that there was a motion to the effect that Canada comply with the Brundtland Report recommendations on natural heritage by the year 2000 which was defeated in our parliament. Who are we talking to? Why should they listen to us? It was defeated by our own government. That is going to be embarrassing. It is going to be embarrassing for the government. It is going to be embarrassing for all Canadians.

Mr. Harvey (Edmonton East): Assuming the government cares.

Mr. Blaikie: My colleague from Edmonton says "assuming the government cares". I do not think the government does care, frankly. I think it sees the environment as an issue to be managed in the interests of good public relations, sort of a political problem which, if taken seriously, would be at odds with their other beliefs about the nature of economic growth and the nature of the economy. And so the government does its best to bide its time and hope to get by with the least possible environmental protection, meanwhile saying the right things, speaking to the right conferences.

This is what we have and in a way this is the downside, if you like, of everyone being concerned about the environment. As someone who has been concerned about the environment for a long time, I welcome the fact that everybody is concerned about the environment. But it makes life more difficult in a way for the environment because when everybody is for the environment, it is more difficult to tell who is really for the environment and who has just got a public relations strategy. It becomes harder and harder to discern the false prophets from the true prophets. It becomes harder and harder to distinguish the environmentalists from the ad men. That is one of the things with which we are going to have to deal. It is a necessary stage, if you like. It comes with the fact that the environment is at the top of the polls. This means that every Tom, Dick, Harry or Susan is now going to be preaching about the environment.

• (1530)

I think the Canadian people have to do two things; they have to ask themselves who was raising matters of the environment in this House and elsewhere across the country when everybody on this side, whether they were on this side or when they were in opposition, still thought that it was kind of a funny thing to do. They still thought that it was a kind of peculiar, hippy-dippy, left over from the sixties kind of thing to do, for back-to-the-landers and other freaks. I will tell you who it was, it was the

Progressive Conservative Party who had that view of people who raised the question of the environment and that is the view that most of them still have. I believe that a few of them over there do not, but most of them still have that view, they have just learned how to talk differently while doing what they always wanted to do. And that is to have uncritical economic growth without regard to the environmental consequences.

You will recall, Madam Speaker, I hope, the story about how in the old days the miners used to take canaries down into the mine. The reason they had the canaries down in the mine was that when the canaries died they figured it was time to get out of the mine. It was a sign that the air was not fit to breath and they would get out of there as fast as they could.

With respect to both the Canadian environment and the international environment, the canaries are dying all over the place. The canaries come in different forms. The canaries come in the form of beluga whales in the St. Lawrence River. The canaries come in the form of cod fish off Newfoundland that are disappearing. The canaries come in the form of fish in the Great Lakes that have weird tumors and other genetic and mutational problems. The canaries are dying all over. In fact, actual species are dying all over all the time.

Mr. Fulton: Twenty thousand a year.

Mr. Blaikie: The hon. member for Skeena said 20,000 a year. The canaries are dying all over the place and what is this government doing? They are kind of having lunch down in the mine debating about how they can dig deeper instead of reviewing the whole project, instead of saying—

Mr. Harvey (Edmonton East): They are eating the canaries.

Mr. Blaikie: Somebody said they are eating the canaries. But this is a very serious analogy. What the government is doing is not paying attention to all the signs around us that we are on the verge of a global, ecological catastrophe which will precipitate an economic catastrophe that will make all this blather about deficits look trivial.

The real deficit, the deficit that cannot be paid off if it is not paid off soon, is the environmental deficit. When you are constantly borrowing and not putting back clean air, clean water, fertile soil, trees that take hundreds of years to grow, you are building up a deficit and a deficit that cannot be paid back, a deficit that makes the fiscal deficit, which is the preoccupation of this government, morally insignificant. Yet, the government carries on as if it thinks it can carry on like this forever. The fact of the matter is that we cannot carry on like that.

All that this motion asks the government to do is to put aside lands that are already there. You do not have to stop any development that is already happening. These are lands that are there but do not, as yet, have the appropriate legal and institutional protection. You do not have to tear anything down. What does the government do? It opposes this motion and gets up, like the Minister of the Environment did, on an entirely spurious point of order and argues that the government cannot support this motion because it is a non-confidence motion.

We would like to make things easy for the government. We would like to move, and I so move, an amendment, that the motion be amended by adding, after the words "marine zone", the following:

> "and, that for the purposes of clarification, this question not be considered a matter of confidence in the government."

The Acting Speaker (Mrs. Champagne): I will take the amendment under advisement and come back to the House. I am not sure whether this amendment is in order or not.

A point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, with respect, I do not think there is a lot to take under advisement. This is an amendment which is quite in order. Quite frankly, I do not see any reason why the Chair could not accept it at this point so we could proceed to debate the motion as amended.

Mr. Harvey (Edmonton East): Madam Speaker, I believe you would find, were you were to ask, that both the mover and seconder of the main motion are perfectly happy to have the motion as it is before the House, so amended.

The Acting Speaker (Mrs. Champagne): The Chair, along with the officers at the table, feel that there may be a problem with accepting this amendment as is. I would ask the House to please allow me to take it under advisement for a few minutes and then I will get back to the House.

I will now proceed to the period of question and comments.

Mr. Fulton: Madam Speaker, I know the hon. member is very much aware of the remarks of the Minister of the Environment this morning. We know that there are 39 bioregions in Canada and 21 of the bioregions are presently represented by the 34 national parks that we have. There are 18 bioregions that are still not represented, the majority of which are south of 60.

In the minister's response this morning on this motion, he indicated that there are four national parks and four different bioregions north of 60 that are under consideration. One happens to be in the member's own province, which is the Churchill proposal for Canada's first national park dedicated principally to the preservation of the polar bear.

That still leaves 13 bioregions unrepresented. The minister suggested this would be the Conservative government's master plan, they would complete these five, perhaps others, but five between now and 1995. This would leave 13 bioregions unrepresented and 26 marine biophysical regions unrepresented. Since only 54 per cent of the land areas have managed to obtain national park status since 1885 when the first national park was created, that being Banff, I wonder if the hon. member would, first; touch on the proposal vis–à–vis the province of Manitoba, that being the only one suggested south of 60 and second; whether or not that target and timetable is likely to achieve what is being suggested by the minister's own task force, where it was stated definitively that if we do not complete the national park system between now and the year 2000, it simply cannot be because of developmental pressures that are making it impossible.

I wonder if the member could take a moment to talk about how realistic the government's proposal is and what kind of forces might there be out there that the Prime Minister and the cabinet might be listening to instead of the 96 per cent of Canadians who, when polled, say they want the national park system completed.

Mr. Blaikie: Madam Speaker, it seems to me that the import of what the minister said with respect to his plan for only completing another four or five parks by 1995 is that he has basically written off the rest of the country that is eligible to have a national park and that has been designated as eligible in various plans produced by the government over the years.

• (1540)

There are various marine bioregions and the other eight or nine bioregions beyond the four or five already planned and these are to be written off. Why do we say that?

It is not as if the government has 150 years to do this. If it did, then it could say, "This is proceeding in an orderly fashion", as governments have said for the last 100 years. But we do not have that kind of time left, we have to do things in a hurry. We know that species disappear because of the effect of many environmental problems. The damage which is done to the ecosystems is not a gradual thing which happens, to use a mathematical analogy in a sort of 1, 2, 3, 4, 5 sort of way. It happens in a 2, 4, 8, 16, 32, and 64 kind of way, exponentially. Perhaps the hon. member would think it useful if I recited a story which I think illustrates what we are talking about.

Imagine, Madam Speaker, that there is a pond which used to be covered by lily pads, starting out with one lily pad, in a period of 28 days. So you start with one lily pad, two lily pads, four lily pads, 8, 16, 32, 64. I am trying to make it understandable to members on the other side of the House. It proceeds in this way and on the twenty–eighth day the pond will be completely and totally covered. Ask yourself, Madam Speaker, what will be the situation in the pond on the twenty–seventh day? On the twenty–seventh day half the pond will be uncovered. On the twenty–seventh day it would be possible for those who do not understand the situation to be sitting on a lily pad somewhere and saying to those who are saying "You'd better get out of here fella, the pond is going to be covered very, very soon". It is very possible for others to be sitting there saying "What are you worrying about, what's the rush? We have half the pond left". What happens on the twenty–eighth day, Madam Speaker?

Bingo! The pond is covered. That is the way environmental problems work.

I do not know whether we are on the twenty-seventh day or whether we are on the twenty-sixth day or whether we are on the twenty-fifth day. Some people think we are on the twenty-seventh day.

Recently I told this story to David Suzuki and he said to the hon. member for Skeena that he thought we might be on the twenty-seventh or twenty-eighth day, somewhere in there. I hope not. I know that we are in the twenties. If we do not act fast, one of these days we are going to wake up to a world that we should be held criminally responsible for by our grandchildren.

Mr. Bird: Madam Speaker, I would like to refer the hon. members of the NDP caucus who have introduced this debate and have been participating in this discussion to some testimony that we received in the sub-committee on forestry yesterday and the previous day from the deans of three of Canada's leading universities. I would like to refer them particularly to the testimony of Dr. Gordon Baskerville of UNB. Yesterday, although frustrated by the bells which rang throughout the afternoon, we did get some very substantive testimony in which Dr. Baskerville described the process of sustainable development as he sees it happening and the whole business of forest management. This included wilderness areas and ecological reserves and all the multiple uses and integrated management perspectives with regard to our forests.

One of the points that he made very clear was that the imposition of constraints is not management. The concept of management is the concept of establishing, first of all, what we want to do with our forests, where we want to go with them and then working at developing how we are going to achieve those directions and what the management methods are going to be.

The question has been asked, what would the Minister of the Environment be waiting for in completing the national parks system or in working towards his objective of completing it by the year 2000. It may well be that he is waiting for the development in Canada of more sophisticated, comprehensive and substantive forms of management towards sustainable development, rather than the isolated, let's do it now, one constraint kind of approach that the members of the New Democratic Party seem to favour.

The multiple use of our forests is fundamental to the interests of all Canadians. One of the things that we have to do, first of all, is to decide how we want to use those forests and what portions we want for ecological reserves and for wilderness areas.

I would like to ask all three of the members who spoke in the few minutes I have been here this afternoon, if they will undertake to read the testimony of the three deans of forestry presented to the subcommittee here in Ottawa this week.

Mr. Blaikie: Madam Speaker, the hon. member does not seem to grasp the time line that we are talking about, the fact that we have so very little time. He has not appreciated that. He wants to talk about management. His concept of management just cannot grasp the whole notion of leaving things alone, of letting them be what they are in creation, for all time. He just cannot get a handle on that.

According to this concept of management, all those full-growth forests out there, be they trees of 800 years or 400 years or whatever, have been poorly managed for 800 years, because nobody was in there doing management. God is a poor manager, it would seem.

What is at stake is the view of a consumer material society which I think is condemned rather well in Luke 12, Chapter 20:19, where it says:

> 19. And I will say to my soul, Soul, thou has ampled goods laid up for many years; take thine ease, eat, drink and be merry.
>
> 20. But God said unto him, Thou fool, this night thy soul shall be required of thee; and the things you have prepared, whose will they be?

That is the kind of time line we are dealing with when it comes to the global environment.

Some hon. members: Hear, hear!

The Acting Speaker (Mrs. Champagne): The period of questions and comments has now expired. Resuming debate with the hon. member for Rosedale.

Hon. David MacDonald (Rosedale): Madam Speaker, I must say I am somewhat intrigued by the last comments of the member for Winnipeg Transcona. He and I share at least one profession in common, but I think he has

fallen into a very large trap, and I may have to remind him of it during the course of the next few minutes.

First of all, I want to say how delighted I am that the member for Skeena has raised this matter by way of an opposition day motion. I think all members of all sides agree in the importance of the subject that has been raised here this afternoon. He has already read the statistics into the record about the kind of overwhelming public support there is. I do not think there can be any doubt about that whatsoever.

In addition, I would say there is very strong agreement on all sides of the House with respect to the importance of preserving for posterity the 39 ecological zones. One assumes that the total representative sampling of the land base of Canada, plus, I think, some 26 marine zones that would give a proper representation to that aspect of our resource heritage.

There are two things that are fundamental here this afternoon. One is the agreement that we must have a full representative sample preserved while it is still possible. I guess the second point is that we must do it within a reasonable time period. A lot has been made of the fact of how long it has taken us during the first more than one and a quarter centuries to get to the stage where we are at today, which is roughly about 50 per cent of our over-all national objective.

What I am troubled by, and I hope the member will listen carefully to what I am going to say—

Mr. Blaikie: I'm all ears.

Mr. MacDonald (Rosedale): Well, I was not going to say anything about your physical characteristics—

Some hon. members: Oh, oh!

• (1550)

Mr. MacDonald (Rosedale): What I am troubled by are two things that seem to be running in train here. One is that somehow an opposition member can introduce a debatable motion which, on its merits or on some of its merits at least, should then allow us to totally forget the context in which we are having this discussion. I know the member has been here for some years and with some intermission I have been here a few years myself. And if there is anything I have learned in this Chamber, not just in this Parliament but in fact in any of the parliamentary traditions in operation, is that when one is discussing supply and when a motion is moved by any opposition member, that is a matter of confidence in the government. There can be no other interpretation.

An hon. member: Not true.

Mr. MacDonald (Rosedale): Well, I am sorry. My friend from Winnipeg says, "Not true". I think he has either a short-term memory or a somewhat inspired and selective view of the rule changes introduced by the—

Mr. Blaikie: We changed the rules while you were away.

Mr. MacDonald (Rosedale): Listen, my friend, listen carefully. There is no way that any committee recommending rule changes can change the essential character of the debate on supply.

Mr. Milliken: Look at the precedents.

Mr. MacDonald (Rosedale): My other friend has come here a little more recently. He better look through all the precedents and realize that on the issue of supply, which I think covers at least seven centuries of parliamentary history, when an opposition member moves a motion, whatever that motion is, and that motion comes to a vote, it can be nothing more than a motion of confidence in the government of the day.

I am sorry the member for Davenport is unavoidably absent at the moment because I think he would have great difficulty in disagreeing with this. He sat for many years in a government that argued this case night and day. Several of my colleagues on this side of the House know that we use some of these same hoary arguments, but they do not hold water; they will not hold water. I think it is foolish in the extreme to waste the time of the House in debating what a former Prime Minister and distinguished parliamentarian said were rabbit tracks. We are not interested in rabbit tracks this afternoon. We are interested in the central objective which I think the member for Skeena properly introduced which is the achievement of a full representative sampling of these ecological zones in a reasonable time period. That is the issue. That is what we want to achieve and no amount of phoney struggling with the rules should get in the way of that objective. I am sorry, I think our friends to our left are being badly misled in trying to divert this to some kind of phoney debate about what is possible or not possible in a votable motion on supply. It is one of the

fundamental traditions that makes the parliamentary system work.

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Kingston and the Islands.

Mr. Milliken: Madam Speaker, the hon. member is arguing this point. He seems to be getting into a point of order on the question of the admissibility of the amendment, and so on. I know he is not directing his remarks specifically to that. I would like to refer him to Beauchesne's sixth edition on page 257 and I quote citation 926 of that edition:

> Formerly, the votable motions presented on allotted days were defined by Standing Order to be automatically motions of no-confidence. Following the recommendations of the Special Committee on Standing Orders and Procedure, and the Special Committee on the Reform of the House of Commons, these references have been omitted from the Standing Orders.

And citation 927 reads:

> A motion on an allotted day, although not put forward as a votable motion, has been deemed, with unanimous consent, to have been carried unanimously.

Now, clearly these motions can be carried and they cannot, in those circumstances, be considered to be motions of confidence or else, when they had been carried, even unanimously, the government would have been out on its ear. The rules have changed and I ask the hon. member to recognize that fact.

Mr. MacDonald (Rosedale): Madam Speaker, the member is a distinguished member of the bar, which I am not, has practised at the bar for some years. He is a relatively new parliamentarian. I invite him to review parliamentary practice. I was not a member when that report, whatever one it was, was agreed to unanimously, but I can tell you that if he thinks simply by the passage of that particular rule or report we have changed the nature of the fundamental way in which Parliament operates, he is very much mistaken.

Mr. Blaikie: Why change the rules then?.

Mr. MacDonald (Rosedale): Why do we bother having votes on days of supply if—

Mr. Blaikie: What's the point of changing the rules. Don't bother me with rules, I have my own idea of Parliament.

Mr. MacDonald (Rosedale): I would think if you really want to give up, give up. I was here when we had most of supply on the floor of this House. If you really want to give up one of the important items left for an opposition, to represent and to register on a regular basis, both by way of debate and vote, its opposition to current government practice or stewardship then that is a very large decision. I do not hear the leader of your party or the leader of the official opposition arguing that they want to give up that important and fundamental parliamentary instrument. So I think you had better go back to the drawing board if you think—

The Acting Speaker (Mrs. Champagne): The hon. member for Rosedale has, as he has said himself, been a member of this House for quite awhile and he should know that he should address the Chair.

Mr. MacDonald (Rosedale): I apologize, Madam Speaker. I guess in my enthusiasm of how important I feel it is to retain these particular fundamental parliamentary aspects that I would not want to see for the sake of some short-term or superficial game—

The Acting Speaker (Mrs. Champagne): A point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, the hon. member for Rosedale astounds me. He is entitled to have his own interpretation of how he thinks Parliament works and what the rules may have been before he left here in 1984, but the fact is that in 1985, and as is recorded right here in the annotated Standing Orders, says:

> In 1985 the Standing Orders were further amended by removing the no-confidence reference.

That happened in 1985. That did not not happen, it happened. The fact of the matter is that when opposition parties want to move motions that, in their judgment, are critical of the government, they are free to do so and the government is free to vote against them. In this case, we have moved something which is consistent with government policy and the government, instead of supporting the motion, has hidden behind the false and completely spurious claim that this is a motion of non-confidence. I have more confidence in the hon. member than that to think that he would get up and make an argument to the contrary. I have never seen such sophistry in my whole life.

SPEAKER'S RULING

The Acting Speaker (Mrs. Champagne): Maybe before we do resume debate we will take a second of the House's time to rule on the amendment which was presented by the hon. member a few minutes ago. We did look for some kind of a precedent and did not. I will

have to rule this amendment out of order and I will refer the hon. member to Article 437 which says:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

The main motion deals strictly with the environment.

I would also refer the hon. member to Article 482 which says:

> On an allotted day during consideration of the business of supply, an amendment must not provide the basis for an entirely different debate than that proposed in the original motion.

That is exactly what we are getting into right now, so I will declare the amendment out of order and we will resume debate on this motion on the environment.

A point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, if I understand your ruling correctly, you are saying that it would be inappropriate for us to have an amendment which designates this as a matter of non-confidence because it is already not a matter of confidence. Is that how I am to understand your ruling, Madam Speaker, that—

An hon. member: The amendment is out of order because it is not needed as the Standing Orders already provide for it.

Some hon. members: Order, order!

The Acting Speaker (Mrs. Champagne): The reason which I have given the hon. member is that the amendment is not related directly to the main motion. He may want to reread Article 437 and I think it will make it very clear.

Resuming debate, the hon. member—on a point of order, the hon. member for Winnipeg Transcona.

• (1600)

Mr. Blaikie: Madam Speaker, earlier Mr. Speaker refused to rule on a point of order that I made with respect to confidence and the nature of this motion. You have now made a ruling on an amendment which had to with the language of confidence, making it clear that this motion was not a motion of non-confidence. I therefore want to ask you, Madam Speaker, what your interpretation is of the statement in the annotated Standing Orders on page 279 where it says:

> In 1985 the Standing Orders were further amended by removing the "no-confidence" reference—.

What does that mean, Madam Speaker? Perhaps you could tell us for the erudition of myself and the hon. member for Rosedale. Perhaps that means something entirely different from what it appears to say. If it does, I would like to know about it.

The Acting Speaker (Mrs. Champagne): The article which the hon. member just read simply means that Standing Orders were amended and different words were removed. As far as whether or not this motion is a confidence motion, the government decides if a motion coming from the opposition is a confidence motion or not. At this time it seems to the Chair that the government has chosen to see it as a confidence motion.

With regard to the amendment moved by the hon. member, it is out of order.

Mr. Blaikie: Perhaps now someone from the government will get up and say why this is a matter of confidence according to them instead of according to some archaic view of parliament that has no relationship to the Standing Orders. If the government wants to make this a matter of confidence, perhaps the member for Rosedale could say why the passing of a motion in compliance with government policy is a matter of confidence as far as the government is concerned and stop hiding behind his interpretation of rules that no longer exist.

S. O. 81—NATIONAL PARK SYSTEM

Hon. David MacDonald (Rosedale): Madam Speaker, I would be delighted to move to discuss the content of the motion because I think that is the essential issue here today. I would also be happy to indicate why we on this side of the House find difficulty in supporting the whole of this motion and that may be helpful to the member for Skeena, the member for Winnipeg Transcona and others on the opposite side.

We concur with the notion that we should take all necessary measures to complete the country's system of national parks. Clearly, as I said earlier, we have to gain a complete representation of the ecological zones and do that, I hope, by the end of the century. I would also say there are several reasons why we do not share the hon. member's proposition that we should set a figure as some

kind of an absolute figure. I want to quote from one organization that the member for Skeena and I, and hopefully most other members, would take very seriously in this whole process and that is the International Union for the Conservation of Nature and Natural Resources.

They do not advocate the use of any percentage formula for determining how much of a country's land and water area should be set aside for national parks, wilderness, or any other type of protected area. The ICUN is an international network of governments from more than 100 countries, together with 450 non-governmental organizations, scientists and other conservation experts whose goal is to promote the protection of the world's heritage resources.

This expert committee which was founded in 1948 considers it more important to focus its attention on developing a strict definition of what constitutes a national park and encouraging countries throughout the world to adhere to these national park criteria than on establishing some arbitrary formula. Since the mid 1960s the ICUN has urged all countries to adopt what they refer to as the "natural regions concept" to guide the development of their respective systems of national parks or equivalent reserves in a systematic manner.

The beauty of this scientific approach is that it clearly sets out the number of natural parks required for a complete system, provides a straighforward means of measuring progress toward this goal and ensures that when the national parks system is completed it will protect a comprehensive and representative sampling of the country's landscape and natural phenomena. Canada, along with the United States which has been moving on this as well, was one of the first countries in the world to adopt the ICUN approach for planning its network of national parks.

I want to say that if we start there, we have a very strong measure of agreement. I would also like to point out that in achieving the over-all objective, there are several major hurdles that we have to overcome. I want to mention two this afternoon. There has been almost no reference to these two which are fundamental to achieving the very goals that the member for Skeena and others fully support.

One is the whole notion of establishing a complete mapping inventory of the country. I want to quote Monte Hummel who in a press release of September 6 released a very important document. Members will recall that several weeks ago I held up the *Endangered Spaces* document as an important move by 100 voluntary agencies to mobilize hundreds of thousands of Canadians around achieving the very goals that everybody in this House supports. There have been some disparaging remarks about the commitment of the Minister of the Environment. I want to tell you what was said just last December by 40 conservation groups from across Canada, and I quote from their own press release:

> —joined today in unanimously congratulating Environment Minister Lucien Bouchard for his pledge to complete the national parks system by the year 2000.

Now that does not sound like some kind of half-hearted, not quite sure, insufficient support. We have to be very careful about the extent to which we engage in some kind of partisan debate and weaken the kind of cross-party support that made the South Moresby motion possible. It was a very specific and a different context motion that was put, as members have been reminded here today. That is the kind of process we have to replicate.

Hummel made it very clear in September that if we are going to move specifically and practically in this area, certain things have to be done. I quote one paragraph of Hummel:

> Right now 8 of the 12 provinces or territories have mapped their natural regions. But only 6 have set targets, i.e. clearly identified candidate protected areas for their natural regions. Only four jurisdictions are 50 per cent or more down the road to completing their plans, which means we likely have 150 to 200 more parks to create.

—most of those obviously being provincial.

> Only two jurisdictions have obtained Cabinet approval for their park systems plans, and one of these is Quebec where there is currently a moratorium on the establishment of new parks. And no jurisdiction has committed itself to completing its parks system plan by the year 2000. In fact, no jurisdiction has attached any time limit to this task. I should emphasize, that this analysis is based on information provided to the WWF by the provinces and territories themselves.

Those are the facts of the situation. If we hope to really move ahead as a country, as a Parliament, all three parties together, we have to take the challenge of knowing exactly what we are about and urging the

various jurisdictions to follow through in having a complete blueprint, as is being urged by the endangered species campaign. It is incredibly important.

I want to read into the record the words of His Royal Highness Prince Phillip, who wrote the forward to this campaign, who is the honorary international president of the World Wildlife Fund. He wrote this with respect to this campaign and this country:

> Canada has an almost unique opportunity to ensure that future generations will be able to see examples of the state their land was in before the rush for development and exploitation began. The task is to conserve a whole range of viable ecosystems and habitats, covering all the country's natural regions. It is also necessary to ensure that those human activities that impinge directly on the natural environment, such as forestry, farming and commercial fishing, adopt sound conservation practices.

That statement by His Royal Highness, again clearly states the challenge that faces us all. We are not operating in some kind of isolation. We are not in some kind of an ivory tower. We must work with others. We must, in the first instance, work with the provinces.

I am frankly amazed that we have not heard either from the NDP or the official opposition a clear acknowledgement that the provinces must be directly and helpfully involved.

• (1610)

The hon. member for Davenport made the remark in his statement that this government had completed projects initiated by his Liberal friends. Why was that? One reason was because we changed the approach. We were prepared to work with and not simply to move in unilaterally and get the kind of mix-up in delays and dilemmas that Kouchibouguac in New Brunswick resulted in and several others.

We want to see a realization of this plant and the minister, I think very realistically and methodically, laid out the five initial parks that he hopes can be a part of that package. I would say quite frankly that I hope that that is a minimum and not a maximum objective. If we are going to reach by the end of this decade those 39 zones and those 18 new parks, that strikes me more like two a year than one a year. To that extent, I would certainly support the hon. member for Skeena in seeing if we can reach that stage.

I want to say quite directly and simply that unless we acknowledge the realities of putting the park system together, knowing what we are doing, working with our closest partners, working with the major economic and social sectors across the country, we will achieve nothing. I hope that members on all sides of the House realize the importance of that.

I simply want to say in conclusion that the government is not in a position to move unilaterally to set aside 12 per cent of any province's lands and waters for wilderness protection or for national park purposes. The protection of wilderness is not solely a federal responsibility but one that must of necessity be shared with provincial governments and other jurisdictions.

It is hoped that by striving to complete the national park system within a reasonable time frame, such as by the year 2000, the federal government will encourage the provinces and territories to give similar priority to the completion of their respective systems of provincial and territorial parks, ecological reserves, wildlife areas and other categories of protected areas that they administer.

In my view, the completion of each jurisdiction's system of protected areas following the systematic approach that has long been advocated by the international union for the conservation of nature will contribute far more to the protection of this country's environment than simply the setting aside of some arbitrary figure, whether it is 12 per cent or any other and will achieve in the end the very results that the hon. member for Skeena and I believe all members of this House hope to achieve.

Mr. Fulton: Madam Speaker, I am glad that the hon. member for Rosedale has moved away from the rather spurious argument that has been going on for a good chunk of the day about some kind of threat to the government. Frankly, I have been a great supporter of the Minister of the Environment until today. The speech he gave in this House related to the completion of the national parks system and the reasons upon which he did not want to consider the 12 per cent target were absolutely without foundation. I think the minister will have to deal with me and many members of this House on different grounds from this point on.

I would like to ask the member to respond because he raised a number of arguments that I think need to be fleshed out somewhat. In the document provided by the Canadian Arctic Resources Committee and others, which I referred to earlier today, to the minister when he took office a year ago, one of the points that is made is

point number three on parks, and states: "By the reckoning of experts world wide the opportunity to complete the national network in Canada will all but vanish by the year 2000 as development and land-use commitments overtake our last frontiers." This concern was emphasized by the task force on national park establishment in its 1987 report to the federal environment minister entitled "Parks 2000".

The concern that I have, and the minister alluded to when the member was here, the four potential national parks north of sixty and one south of sixty leave 13 bioregions south of sixty with no representation whatsoever. A number of our bioregions in fact have more than one representation.

There are 34 national parks now. There are two national marine parks out of the 27 marine biophysical regions. I want to give one other quote to the member before he answers. That was given in 1960 by Alvin Hamilton who was the minister responsible for national parks. In his plea to Canadians, now 30 years ago, he said and I quote: "It is my feeling as minister in charge of parks, that it is about time all those millions of people in Canada who use the parks and love them, should band together and form themselves into a national parks association. How can a minister stand up against the pressures of commercial interests who want to use the parks for mining, forestry, for every kind of honky-tonk recreational device known to man unless the people who love these parks are prepared to band together and support the minister by getting the facts out across the country."

I suggest to the member for Rosedale that is precisely what is happening now across the country, but the government is not listening.

On the final point, that he must respond to in relation to the provinces, I have a very short quote again on Canada in a global context:

> Between 1885 and 1929, Canada established 15 national parks. But with the transfer of natural resources in western Canada to the provinces in 1930, the national-parks program ground to a halt. Only four parks were established in the next twenty years: Cape Breton Highlands in 1936, Prince Edward Island in 1937, Fundy in 1948, and Terra Nova in 1957.

It is a situation that requires really serious national leadership and a response to those pressures that the minister must respond to from the provinces, the territories, the first nations and those who are here in Ottawa every day demanding of the government that there be no further movement on parks or ecological reserves, those who are the major developers in this country.

It is my view—and I think it is widely held in this country—that a very strong vote or a unanimous vote from this Parliament is the only way to give the tools necessary to the Minister of the Environment to deliver on this last opportunity to complete the national parks system.

Mr. MacDonald (Rosedale): Madam Speaker, I would have to say to the hon. member for Skeena that I am somewhat disappointed to hear his opening comments because he only has to think about the most recent example of South Moresby. If he wants to achieve the kind of unanimity and progress that I think he is looking for, there are ways of doing it, not by way of a motion that not only that has been put, but by the nature of the debate that I have listened to over the course of the last several hours. I simply say that as a piece of friendly advice.

I think that one has to balance off some of the more critical things that were said here today. Again, I repeat part of what came from the World Wildlife Fund on December 12 in reference to the Minister of the Environment:

> The minister's historic commitment demonstrates clear federal leadership in our campaign to protect Canadian wilderness areas.

I do not want to hold Mr. Hummel to that, but he said it not too long ago. I think it is an indication that he recognizes there is a serious attempt being made.

I would like to think that the member for Skeena, and others, recognize that and are prepared to work with it to make it happen. We are going to have to work together. If I can put it very bluntly the greatest problem in achieving this is not, in my view, back and forth across this floor. It is all over parts of the rest of the country, as the member knows only too well from his province of British Columbia, I think we have to develop a strategy.

What pleases me most about the *Endangered Spaces* campaign is that it puts most of its focus on Canadians. I have to say to the member that statistics are fine. Ninety-seven per cent may want to see the park system completed but I know that when the crunch comes—and it is going to mean some allocation of moneys and some

reallocation of resources and it will likely affect some transition for people in traditional occupations—real issues are going to surface that are going to have to be dealt with, as the member knows only too well. I think we have to make sure that we make progress, that we get beyond the kind of bleak record that occurred between 1930 and the 1960s.

On that score I hope we can develop. Maybe today's debate can be a springboard into a real strategy. We only have this decade, in my view, to do it and we need to have a very clear cut strategy to make that happen.

Mr. Milliken: Madam Speaker, in his speech the hon. member indicated that the government was unable to accept this motion because to do so would constitute a question of confidence in the government. There is a precedent that runs contrary to that.

On Friday, November 24, last year, in this House, the then hon. member for Oshawa, Mr. Broadbent, moved a motion concerning child poverty in Canada. That motion was moved on a supply day as the opposition motion on that day and at the end of debate on that day the motion was carried unanimously by the House.

The Minister of National Health and Welfare, who is here today, participated in that debate and supported the motion fully. I invite the hon. member for Rosedale to review the provisions of that day and come back to the House a little later and tell us that, in fact, the government agrees with this motion, the government does not regard it as a matter of confidence, and will adopt the motion so that the motion can be carried by the House.

• (1620)

Mr. MacDonald (Rosedale): Madam Speaker, if I may reply just briefly. I remember that day very well. I remember there were several things about it that were significantly different, not the least of which is that I believe the motion was put in such a way as it did not create a similar situation. I think we have had a frank discussion here. The minister has said it and I have repeated it with respect to the 12 per cent. This is not something that we would feel comfortable in adopting, both in terms of its principle and in terms of its reality particularly with respect to the way in which we are going to deal with the other key players which are the 10 provinces and two territories.

One has to be realistic about this. It is all well and good to try and take a sort of precedent, and that is all I would refer to it in this instance, and try to incorporate it as a valid objection. In this instance, I think it is mixing apples and oranges, quite frankly.

Mr. Bird: Madam Speaker, I would like to add my comments in support of those expressed by the hon. member for Rosedale, that whether this is a confidence motion or whether it is not, I would vote against this motion on the basis of the commitment to a specific percentage of land and water resources of this country.

Mr. Blaikie: No specifics.

Mr. Bird: No. As a matter of fact I would like to read a paragraph from page 35 of the New Democratic Party document on the environment called "Towards a Sustainable Future", which I understand was authored by the hon. member for Skeena. It says, and I quote it in the context of my earlier words on sustainable development and the comprehensive approach we must take. He said in his document: A royal commission on our forests should be established by the federal government. A complete assessment of the effects of ozone depletion, the greenhouse effect, acid precipitation, soil degradation and forestry should be included in the mandate of such a royal commission.

Other issues that should be addressed include the designation of protection for ancient forests and watersheds, the most appropriate technologies for harvesting, the impacts of monocultural replanning, alternatives to chemical pesticides and the effects of harvesting methods and existing plant and animal species to name some of the major issues identified.

He went on to recommend that a royal commission be established and that the forestry company be required by law to practice sustainable forest management.

This motion is the second that I can recall in the past few months that the hon. member for Skeena has put in an effort to Put a band-aid solution to the whole environmental question. He came up with a green stamp policy to move us toward sustainable development when in fact he knows that we spent months in our environ-

ment committee talking about carbon taxes, energy taxes and all kinds of incentives and disincentives toward sustainable development.

I just believe that he is trying as usual for a silver bullet that is not going to fix the environment.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is now over. Resuming debate.

Mr. Blaikie: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Winnipeg Transcona.

Mr. Blaikie: Madam Speaker, the reason the member for Rosedale did not rise to say anything in response is because the member who rose allegedly on a question or comment having to do with what the member for Rosedale said spent the entire time talking about what the member for Skeena said, who is not the member who had the floor.

I remind Madam Speaker that the interpretation given to the question and comment procedure was that whenever there was a person or a member rising of a party other than the party of the speaker who was speaking prior to the question and comment period, that that person should be recognized, rather than a member of the speaker's own party, which was not observed in this case.

It is on this point of order that I want to say that I regret that I did not have the opportunity to point out to the member for Rosedale that the book he quoted, *Endangered Spaces*, has a whole chapter devoted to what Parliament did with respect to South Moresby, the kind of thing that he has prevented happening here today.

The Acting Speaker (Mrs. Champagne): I would like to say one thing to the hon. member. There was one member of each party recognized in that round of questions and comments. He might remember as well that his colleague, the hon. member for Skeena, who was the first one to be recognized after the speech of the hon. member for Rosedale, had an intervention that lasted close to six minutes of the ten minutes, so there were three short interventions from one member for each party. I think that this was as fair as could be.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I am happy to rise here today in support of this motion. I would like to remind the House and the people of Canada what the motion is all about because it seems to me that we have spent so much time on the process of this House today that the people of Canada must wonder what we are doing here.

The opposition motion proposed by the member for Skeena reads:

> That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 per cent of land and marine zones.

What has absolutely boggled my mind today is the fact that for the last year this House has been working almost unanimously on this issue called the environment. The Minister of the Environment I think has done a good job in working with all members of this House to try and make sure that the objectives which we all share are met. I naturally want to cite one very specific example that happened in my riding last September, Our World, the summit on the environment where we had over 40,000 people talk about all issues related to the environment. It was a week long event.

I also want to remind the House that not only did the minister speak but also the member for Fredericton–York–Sunbury came and spoke. Everyone was invited. All parties participated and it was a great success. I do not remember at that time one speaker not referring to the Brundtland Commission as kind of the international guideline. The Prime Minister has stated repeatedly that the Brundtland Commission is the international guideline.

What concerns me about today's debate is that this will be the first government in the world to vote against the Brundtland Commission Report. I think that is a dangerous precedent because if there is one system related to the environment that we are all proud of as Canadians, it is our national parks and wildlife system. No one here is stating that the system is perfect but it is the one are where we can keep the momentum going. It is the one area where we have got a leg up not only in terms of our national pride but our international pride. When people think of Canada they do not think of our smoggy cities, they think about our parks and our rivers and our lakes and our mountains.

To have a precedent set today where the government is voting against such a basic motion is very dangerous. I think it will send the wrong signal to Canadians, that all of a sudden the lead House in this country, the national Chamber, is breaking down on an issue where we all are united. I have not been in this House as long as the member for Rosedale who also is my member of Parliament and I have great respect for him. But there has got to be a way to send the united signal to the people of Canada. I think that had better be done by Monday.

We all know that the Brundtland Commission has been supported by nearly every government in the world. The recommendation that our national park system today be complete by the year 2000 by the Brundtland standard is not an unrealistic objective. It is not an unrealistic objective because this is the one issue where Canadians are ahead of us politicians.

There are children watching in schools today who are going to be confused because they are going to see us wrangling over procedure. They are going to see the government against the Brundtland Commission. We are seemingly for national park completion alone. We know that is not the case. We know that the Minister of the Environment is for completion. I think that they have to take the leap and get on with this.

• (1630)

If we cannot look after and maintain our parks and wildlife areas, the questions that come to my mind are: Are we going to break down on the Brundtland Commission guidelines when it comes to how we are going to maintain our cities? How are we going to make them more liveable? What are we going to do when we need new national standards for automobile emissions, when we need new standards for waste and water treatment? Are we going to take the same approach, where all of a sudden we are going to find ways of maybe not following the Brundtland Commission guidelines? What is going to happen to our attitude toward sustainable farming and so on?

We have already seen another example in Bill C–29 respecting the Forestry Act where we have endorsed the Brundtland Commission. We also see many examples across the country where provinces are not living up to it.

When the member for Rosedale talks about the fact that these relationships are municipal and they are provincial, I agree with him, but it is up to this Chamber to take the lead. This Chamber leads not only Canada but is our voice abroad. It is a bad thing for us to send out a signal that we are not trying to achieve the international standard.

The issue of the environment has always been an issue on which I have taken an absolutely non–partisan approach. I think most members in this House know that I have taken that approach from day one. This is the one area where we must all work together. Let us not disappoint the people of Canada today and let us figure out a way, between now and Monday, that we can get ourselves back on track and make sure we meet the recommendations of the Brundtland Commission.

Mr. Bird: Madam Speaker, I would like to acknowledge the significant contribution of the hon. member who has just spoken to environmental awareness through the organizational efforts he put into the conference *Our World* in Toronto last year. I was pleased to be invited to speak on that occasion and I spoke on the subject of forestry and on the concepts of integrated management and sustainable development as they pertain to forestry.

I believe that we are united in our concern for the environment and in our desire to ensure that environmental imperatives permeate all the things we do and decisions we make in this government and in the affairs of this nation. I certainly am committed firmly in that direction.

What I am concerned about and what I would not support at this stage, as I have indicated in respect of this motion, is the absolutism of one particular resolution that identifies 12 per cent, 15 per cent or 8 per cent of our land. As the hon. member for Rosedale said, we are close to agreement on the objectives of this resolution. The Minister of the Environment said, on January 22, 1990:

> —our goal must be to complete the network of our parks by the year 2000.
>
> I have instructed my officials to work on a plan to include in the global action plan of the government a strategy to complete this network by the year 2000, with a clear commitment for the establishment of a certain number of parks within the next five years.

There is no question that we are going in the same direction.

However, I am not sure the hon. member who has just addressed the House was in the House when I spoke earlier this afternoon and made reference to the testimony of the deans of forestry of three of Canada's universities given at our subcommittee on forestry this week. In this testimony we were cautioned against quick fixes to sustainable development, against management by constraint instead of management by planning, by direction and by comprehensive, integrated, multiple use approaches to our environment. That is the reason I would not support this motion, and I would ask the hon. member if he would undertake to read that testimony. Hon. members of the New Democratic Party did not make that undertaking. I hope they will read the testimony because they will find in it an approach to sustainable development and an approach to the implementation of the principles of the Brundtland Report whereby we adopt its principles in a progressive, constructive and achievable manner, not just blindly as wild statements of principle for which we are not responsible.

Mr. Mills: Madam Speaker, if I can respond to that, I think we are forgetting that the report of the Brundtland Commission was not some document basically dreamt up in the middle of the night which was recommending quick fixes. This is something on which some of the best and the brightest in the world have been working for years.

I am not trying to argue with the professors of forestry from New Brunswick. I will read their testimony. I guess my point is a communications point. There is an international perception that the Brundtland Commission is a respected credo. What is happening here today is a perceptual problem. The world recognizes that document as one on which we all must work to set standards and guidelines. The problem that we have today is that the Government of Canada is going to be voting against a Brundtland Commission guideline that has substance.

I know the hon. member is not against sustainable development, but this is going to make a very tough sell to not only the people of Canada but to the rest of the world, and that was my point.

Mr. Fulton: Madam Speaker, I appreciate the remarks of the member who has just spoken. Before asking the question, I would just like to read the motion again so that we all have it clear in our minds:

> That, in the opinion of this House,—

That is what we are seeking through a vote in this House. It is not binding on the government. It is in the opinion of the House. It continues:

> —the government should move to complete the national park system (land and marine) by the year 2000—

This is the key wording on the 12 per cent:

> —and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 per cent of land and marine zones.

There is no direct time deadline. We are simply seeking the opinion of the House to tell Canadians. That is why I worded it so carefully. I did not want to get into what everyone now claims as some kind of silver bullet and all these other things.

Referring to the point the hon. member for Broadview—Greenwood was just making, in the concluding two articles of Chapter 6 of the Brundtland report there are these two points:

> Since 1970 the networks have expanded in extent by more than 80 per cent, around two-thirds of which are in the Third World. That is where the growth on protected lands are. But a great deal more remains to be done; a consensus of professional opinions suggests that the total expanse of protected areas needs to be at least tripled if it is to constitute a representative sample of earth's ecosystems.

That is true of our country, as with most. This is really the key wording:

> There is still time to save species and their ecosystems. It is an indispensable prerequisite for sustainable development. Our failure to do so will not be forgiven by future generations.

The Brundtland committee heard representatives from much of the world, the Third World as well as the developed world. Scientific opinion or consensus came to this conclusion and the entire body says that setting aside these areas is an indispensable prerequisite for sustainable development.

I would just like to hear, further on your remarks, why it is so important when there is not a deadline on the 12 per cent, but that is the international scientific consensus, and why it would be so wrong, for whatever reasons, for this Chamber to send out the wrong signal on turning down the fundamental building block of the Brundtland commission?

Mr. Mills: Madam Speaker, I want to say that I am a late comer to this issue on the environment and that I respect the substantive knowledge of the member on this issue.

• (1640)

I want to speak directly about the issue related to my own riding of Broadview—Greenwood. The hon. member for Rosedale is my neighbour. The dirtiest and most polluted river in Canada flows through the middle of my riding. The Don Valley is 1,500 acres of wasted land right now in a city where 2.5 million people cannot even go for a walk. It has been lack of political will. It has been a lack of co-ordination of municipal, provincial and national government to work together.

The very thing that makes me nervous about what is happening today is that that national will we seem to have been galvanizing here in the last few months on this issue is going to break down.

I say this in a very self-serving way because it is the most polluted river in Canada and I do not want to see a step backward. If I get a feeling that the government is fudging on something that is easy in comparison to some of the more difficult problems like a Don River or a Don Valley, then I think it may be the beginning. Part of this game, and the hon. member for Rosedale said it, is mobilization or momentum. We cannot lose that at all. We must keep it up.

Mr. Flis: Madam Speaker, I enjoyed listening to the intervention of the hon. member for Broadview—Greenwood. He said that he was a latecomer. I wish we had more latecomers like him, especially on this topic.

He referred to the World Summit on the Environment in his area last fall. I attended that summit. What I was impressed with was the number of young Canadians out of the 40,000 who were there. If we want to save this planet I think we have to start changing people's attitudes, and what better way than to change the attitudes of the young users of this planet. I was very pleased. I would like to congratulate the hon. member for his leadership on the environment.

My question to the hon. member is: Has he considered taking that model and promoting it to other countries and other continents? I think that is the best way. If we can influence 40,000 people within a one-week summit, perhaps we have an ambassador here who can maybe save this planet. Has he considered moving that idea across the world?

Mr. Mills: I would like to thank the hon. member for Parkdale—High Park for his generous comments.

The Acting Speaker (Mrs. Champagne): If I may, I was advised at the start of this afternoon's proceedings that there would be some members who would only use 10 minutes and 5 minutes for questions and comments; in other words that they would share the 20-minute period. The hon. member did not mention that when he started his speech.

I realize that I must really put an end to this period of questions and comments, to be fair to every one, and recognize the hon. member for Halifax for her 10 minutes, followed by a period of 5 minutes of questions and comments.

Ms. Mary Clancy (Halifax): Madam Speaker, I rise this afternoon in very strong support of this motion, in support of the comments and statements made by my colleague for Broadview—Greenwood, in support of the Brundtland report generally, and in support of a future for our country, for our children and for the world.

Protecting and preserving our environment is clearly the idea whose time has come. My colleague, the hon. member for Broadview—Greenwood, said that he has recently come to the "apostleship" of the environment, and, as my colleague for Parkdale—High Park said, I welcome him with delight to that circle. A number of us who for a long time struggled in vain on the question of the environment can only look upon the developments over the last several years with an incredible relief and an incredible happiness. For too long a time, for the last 20 years in this country, small groups had been crying out as voices in the wilderness and receiving little or no response as rivers, such as the hon. member mentioned, became polluted to the point where people could not walk along their banks.

My own harbour in the magnificent city of Halifax became a sink hole and an open sewer. The beautiful harbour of one of the most picturesque villages in eastern Canada, Mahone Bay, was a place where people went for years in the summer to look at the water, to swim in the not terribly warm waters of the Atlantic, and to enjoy the marvellous hospitality on the south shore of Nova Scotia. Now when we walk along the beaches and along the coast at Mahone Bay, we are likely to see

broken syringes, medical waste and other detritus of our over-industrialized society.

With the exception of perhaps some industries which still seem to have difficulty balancing goals of profit with the objective of preserving the planet, almost everyone now pays at least lip service to environmental protection. Almost everyone realizes the acceptance and the action of environmental plans and environmentally friendly sustainable development as we come to the end of the 20th century and head into the 21st.

Unhappily for many, the response is just lip service. It is necessary to a degree, in wondering why it is that the government does not support this resolution, to examine critically what the government has done to meet our collective objective for this planet. Unfortunately it is easier to list what the government has failed to do rather than what it has done.

The environment, the health of Canadians and the future of our children have become catch phrases, but we still see a failure to regulate and to stop those industries that are totally hazardous and totally frightening to those of us who are fully committed to an environmentally safe Canada and an environmentally safe world.

We look at the megacorporations and we look sadly at our neighbour to the south, the United States. We see that our government still does nothing in a really meaningful way to say to the megacorporations that pollute and to say to our neighbours to the south: you must stop this because it is due to your industries that the salmon no longer swim in Nova Scotia and New Brunswick rivers in the great numbers that they used to. It is due to acid rain and other pollutants that the rivers in southern Nova Scotia contain much of the same material that your local dry-cleaner uses to clean your overcoat.

It is due to an inability to talk tough to polluters on a national and an international level that a country, as one of my colleagues mentioned earlier, which is recognized world wide as a place of mountains, valleys, rivers, prairies and an expanding northland is becoming nothing more than a memory, nothing more than a poster that we can hang on our walls, but we cannot see any more when we look out our windows.

When we come here to Ottawa, many of us from across the country, and we see the beauty of this city, we think as well of the beauty in our own cities. There has to be a fear that comes with it when we look at the changes in the environment, when we look at the changes in our weather patterns.

• (1650)

Just this past week eastern Canada was hit with a bizarre storm; winds higher than had been experienced in years; the waters of the harbour polluted as they are coming farther in and swamping restaurants on the harbourfront; winds so high that scaffolding was blown off buildings and sent down city streets; newsreels of people having to hold on to lamp posts and to car door handles to keep from being blown away; and a huge amount of snow, much more than normally falls in two or three snowstorms in the Halifax area.

Last summer we experienced weeks and weeks and weeks in the Atlantic area of 90 degree plus temperature and 98 degree plus humidity. This is something that we are not used to in our part of the world. We know that those of you who have to suffer in central Canada have to put up with that. It is not part of our climate. It is not part of our climatic history, and it worries us because we know that again this is part of the greenhouse effect, the warming of the planet, the failure of governments down through the years to do something significant to stem the tide of environmental disaster.

Some months ago at an international meeting of women politicians I was fortunate enough to meet former Prime Minister Brundtland. Listening to her incredible commitment to environmental protection and environmental regulation and listening to those who support her and follow her in the various European and African countries, I and a number of colleagues both Canadian and American were saddened that in spite of this increased awareness for the environment we still have not taken that awareness and turned it into concrete action.

I look again at the resolution and at what it says. It says that in 10 years, in the opinion of this House, the government should complete or move to complete the national park system, land and marine, and should implement the recommendation of the Brundtland

report that Canada protect at least 12 per cent of land and marine zones.

In a country the size of ours with beauty and resources, land and marine, is it so much to ask that the government do this over the next 10 years? Is it so much to ask that we preserve the heritage for ourselves, for our children and for the generations to come? Is it so much to ask that we ensure through action of this kind that will show to the rest of the world that Canada is serious, that Canada is moving and that Canada will take nothing less than strong environmental controls to ensure our future?

Is it so much to ask that we ensure that this country is not a memory, that its beauty is not left to the books in our libraries and the posters on our walls, but that its beauty from Atlantic to Pacific, from north to south, in all of the provinces and territories, is one that we will enjoy ourselves and preserve for future generations?

I do not think it is so much to ask. My colleagues on this side of the House do not think it is so much to ask. I know that in their hearts my colleagues on the other side of the House do not think it is so much to ask. This is not a partisan issue. This is an issue that involves all of us, our futures, and the future of Canadians for hundreds of years to come. It is not a lot to ask and it is not a lot to give.

The Acting Speaker (Mrs. Champagne): Questions and comments. Resuming debate, the hon. member for Terrebonne.

[*Translation*]

Jean-Marc Robitaille (Terrebonne): Madam Speaker, I welcome this opportunity to speak to the motion presented by the hon. member for Skeena (Mr. Fulton).

The motion concerns the environment which, as the hon. member is well aware, is one of the top priorities on the government's agenda.

As you know, Madam Speaker, in the Speech from the Throne, the government made a commitment to consolidate the environmental assessment review process. It is not a commitment to be taken lightly.

All levels of government, industry and Canadians across the country will have to learn to live according to new rules. Canada was built by people who counted on the abundance of its natural resources, and now, and this government fully intends to do so, we must find new ways to make sustainable development a reality.

The environmental assessment review process is a basic component of the new type of sustainable economy to which Canadian society must aspire. It is a complex and controversial issue, but we will get there, Madam Speaker.

At this point, I would like to comment on the second part of the motion presented by the hon. member for Skeena. Madam Speaker, the hon. member twice surprised me with his apparent failure to understand this question.

First, he gave us a simplistic interpretation of the Brundtland Commission's recommendation to protect 12 per cent of the total area of this planet.

Second, Madam Speaker, he failed to understand the role of our national parks in protecting the Canadian environment. As his party's environment critic, the hon. member for Skeena should be better informed. And in addition to being environment critic, he also represents a riding that includes the National Park Reserve of South Moresby—

[*English*]

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Skeena.

Mr. Fulton: Madam Speaker, there is a rule in this House regarding the reading of speeches, and I am quite confident the member has neither read the Brundtland report nor wrote the speech. Perhaps he would like to comment on that.

[*Translation*]

Mr. Robitaille: Madam Speaker, I shall, if I may, continue my speech. As for the Brundtland report, I think that if the hon. member gives me a chance to continue my speech, he will find out how much I do know about this report.

Madam Speaker, in addition to being environment critic, the hon. member represents a riding that includes the National Park Reserve of South Moresby. You are, of course, aware that the region is one of the most beautiful on this earth. The government made it a national park reserve because it is deeply committed to protecting those national regions that are typical of Canada.

[*English*]

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Skeena.

Mr. Fulton: I regret breaking into the member's speech, but after his earlier remarks I think I have a responsibility to do so. South Moresby is not a national park. It is a national park reserve. For someone who claims to be so up on all the facts in relation to parks, perhaps he should be aware of that.

The Acting Speaker (Mrs. Champagne): I think the hon. member knows that that is not a point of order. He may wish to make some comments after the hon. member's speech. The hon. member for Terrebonne.

[*Translation*]

Mr. Robitaille: Madam Speaker, I greatly appreciate the interest shown by the hon. member for Skeena in my speech.

The South Moresby area enjoys protected status because my government, the government I represent, acted to give it that status, and it did so with the unanimous support of the House of Commons.

The hon. member for Skeena knows that creating a national park is not an easy process. He knows that we cannot arbitrarily decide to create a national park. The federal government has to work together with provincial and territorial authorities, native people, municipalities and the general public. The federal government cannot simply announce it is going to create a national park, expropriate property and do as it likes. The Liberals did with Mirabel, but not this government.

The hon. member for Skeena knows that perfecly well, and South Moresby is a case in point, Madam Speaker.

• (1700)

Discussions with the Government of British Columbia were very arduous, and negotiations are continuing with the Haida to determine how Environment Canada will be able to work together with them and with the residents of the Queen Charlotte Islands to make this national park reserve a place where Canadians and other citizens of this planet will be able to acquire an appreciation and understanding of the magic of this extraordinary site. That is the point I wanted to make, Madam Speaker.

It is true that the Brundtland Commission recommended tripling the land area currently enjoying protected status, which is about 4 per cent. As part of a campaign for the preservation of endangered spaces, the World Wildlife Fund has asked that a network covering at least 12 per cent of Canadian territory be given protected status. To reach this goal, federal, provincial, territorial and local authorities must complete the networks of parks, wildlife reserves and protected areas. When approaching an issue of this magnitude, Madam Speaker, the federal government cannot, in the nineties, go it alone and act unilaterally.

Together with the provinces and the territories, the Canadian government now protects nearly 7 per cent of our magnificent territory. The 12 per cent objective is indeed a laudable one, but in fact, this figure is entirely arbitrary. Hon. members will agree, I am sure, that the Canadian government should never act arbitrarily, whatever the issue may be, and that includes protecting Canada's magnificent natural sites.

In any case, arbitrarily preserving 12 per cent of this vast country of ours will not achieve the objective targeted by the Brundtland Commission's recommendation, nor will it meet the objectives set by the World Wildlife Fund in its campaign to protect endangered spaces.

Madam Speaker, to protect appropriate areas in our environment, we must proceed systematically. The Canadian government has opted for a systematic plan to preserve representative samples of Canada's 39 bio–regions, and the Minister of the Environment hopes the national parks network will be ready by the year 2000. This means, Madam Speaker, that we must create 18 new national parks, since 18 of our country's bio–regions have yet to be represented within our national parks network.

The choice of areas to be protected also depends on the habitat requirements of endangered species. For instance, if we were to make 50 per cent of the Arctic a natural reserve, thus meeting the 12 per cent objective, we would not be doing much to save the belugas in the Gulf of the St. Lawrence.

The challenge is enormous, Madam Speaker, and the hon. member for Skeena is not unaware of the difficulties either; he knows the problems raised by protecting South Moresby. As I said, Madam Speaker, the federal government cannot just decide that this land is a park and then expropriate or remove the people who live

there or earn their living on it. We had examples of that with previous governments. Our government does not operate that way.

We must proceed as partners. To properly safeguard our territory, we must establish partnerships and reach consensus with all levels of government and with the people. That is exactly what this government is doing, Madam Speaker, for South Moresby Park, for the Prairies Park, for the Bruce Peninsula Park. It is acting rationally and systematically to reach its objective of protecting a part of every natural region in Canada, not an arbitrary objective of 12 per cent of the national territory.

Once the various national, provincial and territorial parks and wilderness areas are completed, as much as 12 per cent of the Canadian territory may become protected areas. It may be more, it may be less, but it will not be simply an arbitrary protection of 12 per cent of the territory.

Under the World Wilderness Funds threatened natural site campaign, Canada is being asked to set aside at least 12 per cent of its land and water to create federal, provincial and territorial park systems and other protected areas. This campaign however does not insist on this arbitrary figure of 12 per cent, but on the representation of all natural regions within these protected area systems. The media have jumped on this 12 per cent figure because it is impressive. If, as I indicated earlier, we manage to protect 50 per cent of the arctic territory, we would have reached our 12 per cent objective. But would the essential area which must be protected throughout Canada would indeed be protected? Should the 12 per cent figure be set as an objective for the principle only of it or for what it really means?

[*English*]

The Acting Speaker (Mrs. Champagne): Questions or comments? The hon. member for Skeena.

Mr. Fulton: Madam Speaker, I am interested in asking the member a question because he describes my interpretation of the Brundtland Report as simplistic and that I am unaware of the role of national parks.

I would like to ask the member a very simple question. What percentage of the province of Quebec is national parks and how many are there in the province of Quebec?

[*Translation*]

Mr. Robitaille: Madam Speaker, I could not tell you just how many national parks there are in the province of Quebec. I do not know and I have no way of finding out. On the other hand, I suppose I could tell you that there are probably not enough. I may have offended the Hon. Member when I said that his interpretation of the Brundtland Report was rather simplistic, but I repeat what I said in my remarks: If we are satisfied with seeking the 12 per cent objective as a matter of principle, I am afraid we are missing the boat.

There are protected areas and national parks and we should protect 12 per cent of the territory, but we must do so in an orderly fashion following a sound assessment and not simply as a reaction or in an haphazard. I understand the enthousiasm and vigor which with the Hon. Member for Skeena defended his motion, but it is necessary to understand that we cannot always do things in reaction to events as they occur. I suggest it is important to understand the deep significance of the 12 per cent objective which does not mean that 12 per cent of the Canadian territory will be protected for the principle of it. There are particular areas to be protected. There are natural habitats to be protected. To this extent, I feel it is quite justified to carry out a good assessment of the sites and territories to be protected in order to make the right decisions for our future generations.

[*English*]

Mr. Fulton: The hon. member perhaps would be interested to learn that there are three national parks in the province of Quebec. They comprise 935 square kilometres which is only four-tenths of 1 per cent of the land mass of the province of Quebec. A poor Third World country such as Tanzania has 17 per cent of its land base set aside in national parks.

The member is quibbling over the 12 per cent, whether that is too high or too low. He seems to be arguing that it is significantly too high. I think anyone who was listening to his remarks would assume that. The fact of the matter is the 12 per cent was achieved through international consensus, from scientists from around the world who studied what kind of biophysical mass, either land, marine or atmospheric, is required for the protection of endemic, indigenous, migratory and pelagic species. These are scientific figures that are being used. The

member did not know how many parks there are in his own province, what size they constitute, and he is arguing that a 12 per cent figure is too high.

• (1710)

Let me ask the member a very simple question that he should be able to answer for his constituents and for all Canadians. Does he or does he not support and endorse the fundamental recommendations of the Brundtland report, which his own leader, the Prime Minister did before the United Nations? He endorsed and adopted the recommendations of the Brundtland report before the United Nations. Will the member rise in the House and do the same thing today?

[*Translation*]

Mr. Robitaille: Madam Speaker, I want to let the hon. member for Skeena know that I am not at all ashamed of not knowing everything. Madam Speaker, good for the member for Skeena if he has all the information, because personally, if I am asked a question for which I lack information, I feel completely at ease to come right out and say so.

When the hon. member for Skeena refers to the fact that I seem to be saying in my statement that 12 per cent is too much, or interpreting it that way, Madam Speaker, I did not say that 12 per cent is too much! I repeat what I said before. As part of a campaign to save endangered natural sites, the World Wildlife Fund requests that Canada safeguard at least 12 per cent of its land and water by completing the system of parks and other protected areas at the federal, provincial and territorial levels.

However, Madam Speaker, the campaign does not necessarily favour the goal of 12 per cent but wants every natural region to be represented among the areas protected. At the end of my speech, I stated clearly that when the system is complete, we may have more than 12 per cent, we may have less. But until then, obviously we will go ahead. An evaluation is now being done. I understand the eagerness of the hon. member for Skeena, I know that he cares about this subject, I know that the hon. member for Skeena is all caught up in it. I understand all that. But we cannot always react that way and say such things without first doing a good assessment to find out what areas should be protected.

If the Hon. Member for Skeena choses to interpret my remarks as though I stated that 12 per cent is too much, then I would simply refer him to my comments and tell him I am not saying it is too much. All I am saying is that before talking in terms of 12 per cent I think we should take the time to make the necessary evaluations and refrain from prescribing 12 per cent just for the sake of doing that. I said so. Protect half the Arctic lands and you will have your 12 per cent. But is that really in keeping with the findings of the Brundtland Report? I am not sure.

Madam Speaker, this is why I say again that the Hon. Member for Skeena's interpretation of the Brundtland Report is very simplistic.

[*English*]

The Acting Speaker (Mrs. Champagne): On a question, the hon. member for Skeena.

Mr. Fulton: The member seems to have slipped back again without answering a very fundamental question. He has now indicated that he is a great student, a great scholar of the Brundtland report and that I do not know much about it. That being the case, it could well be.

I have a very simple question to ask, since he is such a erudite scholar on the matter, does he or does he not endorse the Brundtland report?

[*Translation*]

Mr. Robitaille: Madam Speaker, the Hon. Member may think I tried to avoid answering his question, but the fact is that if I did not quite respond as he was expecting it does not mean that the answer I did give is meaningless. Again I would suggest he is free to interpret it as he sees fit.

I want to repeat what I said earlier, Madam Speaker. Stating that we must protect 12 per cent of the territory is a valid objective in itself. As I said before, if we were to protect half the Arctic lands that would account for 12 per cent of the territory, but is that really the objective?

Madam Speaker, I think the issue is too important to pin it down to a figure of 12 per cent. As I see it, this percentage stems from a basic principle which we uphold and which the Minister of the Environment (Mr. Bouchard) so staunchly defends.

[*English*]

The Acting Speaker (Mrs. Champagne): There is still a minute and a half left. The hon. member for Hamilton West.

Mr. Keyes: Madam Speaker, I will make my question very short. The member who just spoke pointed out that this matter was close to the heart of the NDP hon. member and that he could understand his passion.

I think the hon. member should understand that an issue of this importance must be close to our collective hearts. Our environment and all the issues concerned are important to all of us here in the House of Commons and across this country. The member said that we should not act arbitrarily. Yet the definition of "arbitrary" is "based on random choice". It is not a random choice.

I point out to the fellow member that it is a choice being made to protect at least 12 per cent of land and marine zones. There is nothing arbitrary about that figure.

Therefore, I also ask the question: Does he, or does he not support the Brundtland report?

[*Translation*]

Mr. Robitaille: Madam Speaker, when the hon. member referred to my use of the word "arbitrary", that we must not act arbitrarily, I made it clear at the time that it was important, that you don't expropriate people this way. You don't say: We are going to create a park, get out, your property is expropriated!

The Liberals did that, Madam Speaker, in the case of Mirabel, and we saw what happens when a government acts arbitrarily.

In my speech, Madam Speaker, I made it clear that it was important to negotiate with various levels of government and with the general public. It is important to have a consensus. You don't act arbitrarily and say: 12 per cent, that is where we want it, so get out! You can't do that.

As for the Brundtland Commission, obviously my government and I support the Brundland report.

[*English*]

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I wish to bring to the attention of the House some of the concerns that have been raised in western Canada. In many ways, the debate reminded me of when I was a university teacher listening to a number of disgruntled students giving a bad presentation. My job was to come in at the end of a seminar and try to bring some common sense to it.

Sometimes the west seems so far away that people wonder: Who are these guys from the west? They seem to be very moral and very upright. They really understand the environment and there is a lot of passion in their voices. Perhaps they stand for what is right?

The World Wildlife Federation described the prairies as the most altered environment in the world. If you are looking down at the prairies, what do you see? One of the biggest alterations in the environment is a huge dam in northern Manitoba.

One of the legacies left to us by the provincial NDP, which is somehow or other never mentioned in this federal House, is that Manitoba Hydro Dam. If you look at the devastation of Indian reserves, the devastation of the environment, mercury poisoning, the loss of fishing industry, the lack of economy, the ruination of trapping lines, you say: "Was that the federal government? Was that the big bad federal Liberals they talked about for years?" No, no, that is the NDP. But do they mention it? No, they have forgotten about that.

These guys in the NDP like to use the Brundtland Commission or some other report as a benchmark. Well, the benchmark is not what you read, it is what you do. These guys have done things wrong time and time again in the west and they come in here, like old gun slingers and say: "Let's go shoot the Tories". Well, Tories are such easy targets, anybody can hit the Tories. I will join in with the gang in a few minutes because they are such easy targets.

The real problem in dealing with the environment in the west is coming to grips with the fact that we are making one decision after another the same way as we did before. As politicians we all love to talk about the environment because it is such an easy topic. We all know that the public opinion polls tell us that our voters are concerned about it, but let us get down to some concrete points in which this government could have made a difference.

For example, let's talk about the Centre for Sustainable Development. The Centre for Sustainable Development was announced by the Prime Minister as an extension of the Brundtland Commission in the middle of the 1988 federal election. We are still waiting in Winnipeg. In fact, we have waited so long that even our mayor, who loves the Tories, has been forced to write to the Prime Minister asking, "Where is the centre?".

When you can get our mayor involved after all of these years, and taking on this government, then you know you have reached a crisis. So we have the city of Winnipeg being disappointed one more time in one more way. However, it is more than just Winnipeg, the whole country is disappointed because we need to get on with the research and development promised by this government. Even if the government does go ahead, before it has started, it has announced major cut-backs in this centre's budget.

• (1720)

The second issue in which the government could have made a difference is the Rafferty-Alameda dam project. Here people are opposing the dam, not just because the dam project is bad, but because there is a certain process at stake, namely, that we must take the environment seriously before we alter it. This government has decided that it will build the dam to help its Saskatchewan Tory friends. The government will set it up, and then maybe do an environmental assessment. Well, the government has had to be dragged through the courts not once but twice. Instead of making a statement at the outset that "We understand the environmental concerns in the west and throughout this country and this dam project, although a small project tucked away on the Manitoba-Saskatchewan border, we think it important enough to stop and say let's think about what we are doing". No, all the government wanted to do was make a deal and arrange a payoff.

Those are two past decisions. Hopefully, the Centre for Sustainable Development is not entirely past, but those are decisions where we say the government is wrong. Let us take a look at what is taking place in this country right now and set out a new agenda. For example, Manitoba Hydro again wants to build a dam. It has lots of international buyers. Throughout the United States, different states want more hydro-electricity from Manitoba and the Ontario government would like to be a big purchaser. There are many environmental issues. Let us not do the same thing as we did the last time. Let us not sell off the reserves of native peoples in the hope of making some money for the Manitoba economy. Let us make sure that as the power lines are constructed we understand the environmental fallout. And we must also make sure that we understand that there are interprovincial trade issues here and that the federal government does not nap its way through the planning stages but stands up and says: "These are the benchmarks that we will use to make sure this project is environmentally sound".

Another issue facing western Canada is the development of the pulp and paper industry. We have large development proposals in both Manitoba and Alberta. Although these projects are more environmentally sound than the ones put forward in other generations, they are still very, very susceptible to damaging the environment. Again, the federal government has been ducking the issue. It has been talking to people in the Government of Alberta about whether it is federal or provincial jurisdiction. It has been ignoring the issue in northern Manitoba. The fact is that when we talk about having a strong national government, we are not necessarily looking for money. What we are looking for is the establishment of ideals and principles that will make it easier for us to develop our country on sound environmental principles. In these cases, where is the federal government?

Next there is the issue of agriculture. The Minister of Agriculture pays great attention when we ask him in the House of Commons about his "Growing Together" paper or about subsidies to farmers. When has he ever taken the initiative on environmental issues? One of the great threats to our agricultural industry is the consumption of chemicals for decades on the prairies which is eroding the quality of the soil and the quality of the agricultural community.

It is not for us as politicians to tell the farmers what to do, because farmers are very sensitive about their farming habits. But, it is also for us to show leadership and say: "Please start talking about the environmental crisis on which we are on the verge, lest we have to come to you with new regulations". The Minister of Agriculture refused to discuss that in his "Growing Together" paper and has refused to raise it with farming groups. Some day in the future we are going to be in the middle of a crisis, as we have been in every other sector of the economy. We will find ourselves endangered and will have farmers bitter because we are talking about new regulations

when right now is the time for the government to act and respond.

In these very few minutes, I would just like to reiterate the importance for the environment on the prairies, that the government not just take to reading the Brundtland Report, making statements at the United Nations, making grandiose statements that make headlines, but really sit down with people, such as the Manitoba TREE group which is concerned about northern Manitoba and the Concerned Citizens' of Manitoba which is worried about a number of environmental issues. The federal government will not fund them, it will not talk to them. This is no way to treat citizens who have in their hearts and souls the concern about the environment.

I implore the government to change its policy, to realize the mistake that it is making, to realize in the front-benches that they have to take these initiatives seriously and give the Minister of the Environment the support that he probably needs because these guys do not really understand it. Allow the Minister of the Environment the freedom to develop policies that will make this environment sustainable for the next generation.

Mr. Fulton: Madam Speaker, I know that the member has listened with care to the debate as it has gone on today. It does not seem that there is the kind of potent support for the completion of the national park system by the year 2000 that one would have hoped for from the government side, knowing that the minister is on the public record and the government seems to be on the public record in endorsing that. The Prime Minister, himself, has endorsed Brundtland at the UN.

The question I want to ask the member is the following one. Does he not think that it would be helpful for a minister of the environment, such as the present Minister of the Environment, to be able to go to the territories, to be able to go to the provincial governments, to be able to go to municipal governments and state that 96 per cent of Canadians who have been polled recently want to complete the national parks system? There are very high statistics relevant to that kind of setting aside of land in all kinds of other areas of polling that has been done.

However, to be able to go, whether to Victoria, Quebec City, Toronto or anywhere else in the country and say: "Look, I want your support to set aside this particular land and this particular bioregion because it is important. We have no representation there, and I have the mandate of Parliament. This is not just a government push. Not only are Canadians on side but I have all the Liberals, the NDP, and all the Conservatives. You say that you have this particular problem in that area. Well, Parliament stands behind here. That mining company says this will be a problem, or you could have that forest company wanting to get in there or somebody wanting to do some kind of pongo-pongo development there."

Wouldn't you agree that if there is something significant this Parliament could do, it is this kind of a motion which, frankly, should be able to deliver the kind of consistent power into the hands of the minister that it seems to me Canadians have been demanding for the last couple of decades?

Mr. Walker: Madam Speaker, I cannot think of anything that would be more appropriate for this government to do than to take on an initiative in support of the national park system. In a symbolic way, Canadians want to see their particular environments from one region to the other protected.

For example, on the prairies it is almost impossible for a Canadian to now see grasslands. There are little bits here and there in private hands. There is one small piece in Winnipeg that has been preserved by a local park, but it has none of the authority of a national park. You say to yourself that there are so many unique corners to this country, yet the 21st Century is going to be a tremendous threat to these areas. For Canada to grow and survive it is going to need more people, it is going to need more resources. The questions that we are addressing here today in which the whole House is so involved are fundamental to the protection of all different types of areas.

The National Parks Program, although it is a very weak program under this government, could be symbolically so important to Canadians that we reach out and say: "We understand how important this property, these lands are for you. This is not to be used for mining. This is not to be a mixed use piece of property. This is going to be a national park set aside so that future generations can see exactly what it was that we had and, as we go along with

development in other areas, we are secure in the knowledge that we have set it up to protect the lands for future generations."

Mr. Clark (Brandon—Souris): Madam Speaker, I apologize to the hon. member in the sense that I did not hear all of his words when he was discussing the Manitoba Hydro proposal, and the proposed sale to the Government of Ontario. I am just asking for clarification, whether he and/or his provincial colleagues are criticizing that particular project. Are they opposed to it? I am simply not aware of the answer to that question.

Mr. Walker: Madam Speaker, I think any Party nowadays puts itself in danger to oppose or support a large scale development project before environmental questions are answered. So in the abstraction, we have built hydro projects in the past, we will probably build them in the future. The reality is that we have done severe environmental damage in northern Manitoba previously. I am sure my provincial colleagues await to see the strength of the environmental assessment process. We wait to see not only the role of the provincial government and the role of Manitoba Hydro, but we certainly await the role of the federal government both symbolically and in real terms of the regulations it can apply if necessary.

• (1730)

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, as I have listened to this debate today I keep going back in my mind to an experience I had about 10 years ago when I first took my three children out west to see the full breadth and scope of the country they were going to inherit. It was a trip filled with strikingly beautiful, impressive and marvellous experiences, but it was also a trip that involved some pretty devastating experiences.

Certainly one of those was travelling through B.C. and seeing what had been done to some of the mountainsides of the Rockies. To look up and see to a certain line a fabulous, wonderful forest growing there as it has been for many, many years, and then right beside it to see something that looked so devastated, so scarred, so out of keeping with anything that looked like human accomplishment. We saw huge amounts of wood left on the mountainside, we saw that somebody had just wrenched that whole mountainside apart without any care for what was being left behind and what would be there 10, 20 and 100 years from now. We saw the waste of an extremely valuable resource. It was a very sobering experience for all of us. We had a very thoughtful and sad dinner that evening as we talked about what was being done in parts of our country, a country that we felt were extremely valuable and deserved better.

At that time I was in municipal government and it made the things that I was concerned about seem relatively small. Yet I guess I have realized that in context every bit we do is important. Retaining a 100-acre conservation area in the middle of an urban municipality is an important contribution and insisting that windsurfers and boats use one side of a pier and not the other because on the other side the destruction of a wetlands area would be the result. All these things are small but important contributions.

Earlier last week I talked to a group of children at one of the schools in my riding. None of the children were more than 11 years old. They have spent the last year recycling paper because they understand, as some people in this House seem not to understand, that the preservation of trees is important. They know that the full tonne of paper that they have managed to recycle in the last year represents exactly 19 trees that did not get cut down.

It is amazing to think what a difference those small kinds of contributions could make right across the country. The children also understand what they have done and the importance of it in a much broader context because with the $50 that they earned from recycling that paper, they bought two acres of rain forest in the Amazon. They know that the forests and the trees are important, not only to the people who live in the Amazon but to all human beings on this earth. They know instinctively, but also intellectually because they have taken the time, as it seems some members of this House have not done, to understand what the balance of life in this world is all about. They know that as we are spewing carbon dioxide into the world, it is the natural areas, the growing areas of the world, that buffer the damage that is done by our abuse of the atmosphere. So they want to do their small part to protect what they can.

As the environment committee heard this year, they have learned that the burning of those forests and the destruction of those forests is destroying the long-term ability of a whole people to feed itself. As we heard this

morning, in 20 years, if the destruction of the rain forests proceeds as it is, there will be no soil and no ability for those people to feed themselves. That is pretty horrendous when you think about it; only 20 years from now. To me twenty years does not seem that long ago. In Brazil the ability of the people to feed themselves only 20 years from now is being destroyed on a daily basis and we are not doing anything about it.

The preservation of natural areas is an important issue world-wide, and it is an important issue in Canada. Again, we come to a question of balance. With governments it is always a question of balancing how much we use of resources with the need to ensure that they are there for the long term.

Any family understands this principle, understands that if you have so much money for groceries for the week you have to make it last for seven days. But we have never been able to translate that into an understanding of the world, an understanding that certain things do not simply replenish themselves when they are gone, and that if we want to continue enjoying the benefit of some of those resources we have to stage their use in a way that allows them to be replenished.

But there are some things on earth that are so precious, and certainly some things in our country that are so precious, that you cannot use them up or you will never be able to replace them. So it is a legacy that we owe to ourselves, to future generations, to preserve certain areas that are so unique that they are irreplaceable.

To find the balance is our job as politicians. What is the balance between the competing interests? Sometimes we have to be able to say, yes, jobs are important, but we cannot allow jobs to happen at the expense of destroying something that sustains life on this earth and that sustains the richness of our lives as human beings in this world.

In a way the argument is kind of ridiculous. I ask anybody just to picture a map of Canada. There is an ocean on either side and third one above us, and where do we live in this country? Nearly 80 per cent of us live in a little ribbon just so big. To say that we cannot look at that whole big area, more than half a continent, and set aside 12 per cent of its most precious areas so that it will be there in the future is simply not being realistic about what this nation is all about. If we cannot do that now, we will never be able to do it.

Now is the time. We are on the threshold of the future of this country. We have just begun. This is the time to make a commitment and say that we want the most precious parts of this country to be forever a part of its heart, its soul and its physical existence. We will grow, we will expand and we will draw on the world's resources around those things which are too precious to use up, too precious to destroy. That still leaves us a whole huge country in which to do what we want to develop as human beings.

There are assets that have been here for millions of years. Who are we, in our small span on this earth, to say in our greed, our lack of caring and our need for immediate gratification, that we are going to take something that has been here for a million years and use it for our own short-term pleasure, denying it forever to other generations? Who are we to do that? What gives us the right?

Humanity walked out of the Garden of Eden, according to my religious tradition at least, and we like to think of that as something that happened at the beginning of the world. Well, in fact, it happened in the last small fraction of a percentage of world time. Who are we now to say that we are going to destroy the Gardens of Eden of our country or of our world?

I think the politicians are way behind the public. I think it is time we caught up with a public that is telling us, "We don't need disposable diapers if it means destroying forests, thank you very much". Instead of trailing that crowd, let us get in front of them and show some leadership.

• (1740)

Mr. Ross Stevenson (Durham): Madam Speaker, I am very pleased to have the opportunity to join in the debate on this resolution here this afternoon.

Let me read the resolution again because it helps to focus on the debate if we refresh our minds. The motion moved by the member for Skeena states:

> That, in the opinion of this House, the government should move to complete the national parks system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 per cent of the land and marine zones.

I concur with the minister in that the government should take whatever steps are necessary to complete the country's system of terrestrial and marine parks. It is only by setting goals and a timetable in a strategic time path that we will accomplish these goals and make the achievement worth while.

Our 34 national parks are certainly vibrant, living museums ranging from the northern most areas of our country in the ice-covered tip of Ellesmere Island to the southern most marshes of Point Pelee, from the shores of the Pacific Rim on the west coast of British Columbia to those in eastern Canada at Terra Nova National Park in Nova Scotia.

I also agree that there is considerable urgency in this matter because forestry, hydroelectric power developments, mining and other resource extraction activities are steadily encroaching on Canada's last remaining wilderness.

The Minister of the Environment has already stated in this House, I believe on January 22, that he is personally committed to completing the system of national parks by the year 2000, and that he has directed his officials to prepare an action plan outlining how this ambitious and certainly important goal can be attained.

This commitment is a clear indication of the importance that the present government places on this activity and certainly we believe it is important to the people of Canada and to our country that we protect our environment and, in particular, some of these very important regions.

Each government of Canada owes it to the next to put its imprint on what is already the world's finest family of national parks. I am pleased that real progress has already been made by this government. The Minister of the Environment is giving it very high priority, also to creating new national parks. His short list of parks that are currently being seriously investigated in one way or another includes Banks Island, the northern Baffin Island, Bluenose Lake, the east arm of Great Slave Lake in the Northwest Territories and the Cape Churchill area in Manitoba.

I also agree with the House leader of the New Democratic Party that the government should work with some diligence to complete this national parks system. Canada is a country that has been shaped by water. We are bounded by water in many areas of our perimeter: the Great Lakes and the St. Lawrence River along our southern boundary; the Pacific Ocean on the west; the Arctic Ocean on the north; and, of course, the Atlantic on the east.

These water bodies have had a pronounced influence on our history. They continue and will always continue to have a major importance to our economy, not only from a tourism point of view, but also for the marine based industries.

Clearly the system of protected areas under the administration and control of the federal government will not be fully representative of Canada's geography until outstanding examples of these marine environments are set aside by the Parliament of Canada as future national marine parks are created under the National Parks Act.

I am proud that the government is also striving to complete the network of national marine parks in a systematic and timely manner. This is a policy that is in place and it is a guide to the selection, establishment, planning and management of new marine parks. Similar to our national terrestrial parks, there are 29 various marine regions that have been adopted in setting the scope of this particular system. The long-term goal is to provide adequate representation of each of these 29 marine regions in the marine park system.

However, I cannot support the member's contention that the government should complete the network of national marine parks in this very short timeframe, which is really just this next decade. It would be an admirable goal, but I suspect it is something that is unattainable. I think we should most certainly have to move onward with the job. Of course there are several reasons to move on, but there are also reasons why I think we have to proceed with, at least, some caution.

First, the creation of national marine parks is still in its infancy and the national marine parks policy which sets aside the stage of selecting, establishing, managing our marine parks in Canada was first approved by the former Minister of Environment in September 1986 under the direction of this current government.

The following year, a provision to create a national marine park in the waters surrounding South Moresby National Park reserve by the year 1993 was included in the park agreement between Canada and British Columbia. Legislative authority for the government to create national marine parks in general, as a separate type of park and to proclaim the Fathom Five in Georgian Bay,

Ontario, which is not too distant from my riding, as Canada's first such park was passed in 1988.

The point I wish to make in this brief chronology of events, is that things are moving fairly rapidly on this front. Research, planning, support for new marine parks must accompany the establishment of such parks. In my opinion, the government would be wise to proceed with the maximum swiftness that can be attained, but certainly with some caution as well in the creation of these national parks so we do it well and we learn the proper protection of these marine reserves, how to make opportunities for people to go into these areas, but to do it in a safe and conservation-minded way.

I suppose we might say that hiking boots and backpacks must give way to swimming fins and scuba tanks in some of these areas. It will be interesting and certainly very enjoyable for all Canadians to see the marine park group continue to expand.

Because marine ecosystems differ significantly from those on land, the experience gained from managing the country's century old national park systems are not readily transferable to the marine park counterparts. Furthermore, the experiences of other countries in dealing with marine parks are not always directly transferable because there are relatively few examples where marine parks have been established in cold or temperate and Arctic oceans which are the sorts of waters that surround our country.

• (1750)

There is another important reason for questioning the haste that is included. I do not question that we must move forward, and move forward as swiftly as possible, but I think establishing all these marine parks by the year 2000, within one decade, is a little bit bigger challenge than one can expect in order to proceed in an organized way.

As I mentioned earlier there is only one marine park in the country at this time. It was established in 1988. I mentioned one in South Moresby in British Columbia. That really means two of the 29 regions have so far been represented, leaving 27 regions yet unrepresented. If the government were to move forward and follow the timetable suggested by the hon. member, it would mean establishing an average of two to three marine parks per year over the next 10 years. Although it may be something that we would like to talk about, I suspect that goal is unrealistic.

In my view, the government should aim to establish at least two national marine parks in each of Canada's three environments and on the Great Lakes by the year 2000. This would mean that within 10 years there would be a total of no fewer than eight national marine parks. Work towards this goal has already begun. For example, the Minister of Environment is negotiating with the province of Quebec now for the establishment of a marine park at the Saguenay River. This is an area of considerable diversity and species. Of course, the ones of particular interest are the blue whale and the beluga whale.

Park officials are also examining the prospects of a new marine park in three northern regions. Those are the Lancaster Sound area at the eastern end of the Northwest Passage, the Hudson Bay and along the coast of Labrador. Similar studies will be undertaken this year in other marine areas if sufficient resources are available.

I think this goal is both realistic and wise in the view of the newness of the marine system. Also I think it provides those with the responsibilities of managing these new underwater parks an opportunity to develop their expertise, develop policies and correct any problems that may develop in the establishment of these parks.

The new national marine parks will also serve to increase public awareness of the benefits of marine parks and to help develop stronger public support for this new initiative. With the experience thus gained and the strong public support that already has been generated, Canada will have a solid basis by the year 2000 for a national marine park system that will match the grandeur that is internationally recognized for our current terrestrial parks.

Madam Speaker, I differ from some of those who have been critical of the government today. We have made significant headway on the terrestrial parks and more negotiations are going on and others will start in the not too distant future. There is significant progress in our marine park system which was just recently started by this government.

I look forward with eagerness, along with a great many Canadians, to see our fantastic family of national parks grow in the future. I am sure, as I stand here today, that there will be many new parks by the year 2000.

Mr. Fulton: Madam Speaker, I appreciate many of the remarks that were just made by the member who just spoke. I am sure he is aware that there are 39 bioregions in the country and there are park representations in 21 of those bioregions at a rate of about one and a half parks per bioregion, because we have 34 national parks.

When the minister was speaking this morning, he indicated that the plan of the government right now is to simply have one representative area in each of the bioregions that are left, although if we were to proceed as we have to date, we could in fact suggest that there is a need for 27 terrestrial national parks as well as for 27 national marine parks.

But the point that the members seem to be driving at is that there simply is not time between now and the year 2000 to complete the system either due to time, money, political will or everything else. I suggest the members go back and look at the 1987 task force recommendations on national park establishment because they made it quite clear that we will have foregone the opportunity to have made a lot of decisions if we dilly-dally very many more years, even into this decade.

A very strong recommendation was made by a number of groups that I have referred to earlier in my speech about the need simply to establish the protected areas. As they said:

> Establishing protected areas need not be an expensive undertaking, especially if the goal is to reserve lands and waters primarily on crown land over the next 10 years, leaving the "development" of services for the future.

They are basically indicating two competing interests for those areas, that these are areas of national significance either for biological reasons or biodiversity reasons. Would not the members support and endorse the idea that we need to complete the designation and the reserving of those 27 marine areas during this decade as well as those 18 to 27 national terrestrial areas, because if we do not, we will have foregone the opportunity?

Mr. Stevenson: Madam Speaker, I certainly cannot disagree with the general objective that the member mentions. I think the problem with urgency, of course, as the member is well aware, is that there are other interested parties in all of these areas, governments and various other groups who claim their own interests for whatever reasons in the important terrestrial and marine areas of our country.

While each group has its own good intentions, it does require a great deal of time to negotiate these agreements. Even to put some sort of restriction on prior to significant negotiation, it is not all that easy to accomplish this in certain areas, as the member is well aware. We have situations going on in our country right now where there has been various development or control agreements on sensitive areas.

I think of the situation in areas like Temagami where there has been a longstanding agreement of many years that is under reconsideration. Of course, there is relatively little agreement on how that should be handled. It has developed into a very controversial issue in that area. So even to say that we can set aside a certain area that we would like to have for a national park somewhere in the future, and that we might start serious negotiations four or five years down the road, it will also be met with significant objection.

I think as resources and time is available, it is important that we look into these situations. I have confidence that the minister will do that because if we just look back we will see the progress that has been made in the last five years.

• (1800)

The Acting Speaker (Mrs. Champagne): I must interrupt the hon. member. On a point of order, the hon. member for Kingston and the Islands.

Mr. Milliken: Madam Speaker, earlier today there was a discussion as to whether or not the question that Your Honour is about to put should be a matter of confidence in the government. I must say that I think perhaps the government has changed its tune since not a single one of its ministers is here to vote confidence in itself and I wonder if, in the circumstances, the government might agree that this is no longer a question of confidence.

Mr. Hawkes: Madam Speaker, as the member, who is quite skilled in parliamentary procedure knows, calling attention to the presence or absence of members is really against our rules. I want to assure the member, because I think his intervention was partly in the nature of a question, that the government and members on the

government side regret very much that the two opposition parties have joined forces to trivialize something which is so important in this country. Forcing a vote under confidence in the House of Commons rather than choosing a path on which we could have all agreed is really to trivialize the issue.

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Regina—Lumsden.

Mr. Benjamin: Madam Speaker, we in this party and, I believe, the official opposition, consider this a vote of confidence in the minister and an indication of support from all parties in the House of Commons for the ministers' endeavours and efforts on completing the national parks system by the year 2000. So this is a motion of confidence, not non-confidence. And I urge the government to support it.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being six o'clock, pursuant to order adopted earlier today, it is my duty, pursuant to Standing Order 81(14), to interrupt the proceedings and put forthwith all questions necessary to dispose of the supply proceedings now before the House.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

[*Translation*]

The Acting Speaker (Mrs. Champagne): Pursuant to order adopted earlier today, the recorded division stands deferred until 5.45 p.m., Monday, February 5, 1990.

It being 6.05 p.m., this House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.05 p.m.

HOUSE OF COMMONS

Friday, February 2, 1990

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—MULTICULTURALISM

Hon. Bob Kaplan (York Centre) moved:

That this House condemns the intolerance and prejudice in Canadian society that damages the fabric of the nation and urges the government and all members of Parliament to play a role in strengthening understanding and respect among Canadians.

Mr. Gauthier: Madam Speaker, I am sorry to interrupt, but I would like to tell the House that the Liberal Party will be using 10-minutes speeches followed by 5 minutes of questions and comments for all our speakers starting with the hon. member for York Centre, the justice critic. In that way we will be allowed to have more members speak on this very important subject. It is very interesting to our members, and they would all like to speak on it.

Mr. Angus: Madam Speaker, we have not yet had an opportunity to discuss this within our caucus today, but I will make a commitment that should we decide to follow suit we will indicate at the commencement of the appropriate speaker that in fact we would wish to split it between two. That certainly would not happen until after the first round of speakers.

Mr. Hawkes: Madam Speaker, I very much appreciate the clarity from both opposition parties. The clarity that I can give at this point is that our minister will take the full 20 minutes with a question period. Subsequently our speakers will divide as the Official Opposition is dividing: 10 and 10 with a 5-minute question period.

The Acting Speaker (Mrs. Champagne): I wish to thank the representatives of all three parties. I realize that as far as the Liberal Party is concerned, everyone will be using only 10 minutes.

It will still be helpful to the Chair if, after the hon. member for York Centre speaks, members would remind the Chair. It would make things a lot easier.

Mr. Kaplan: Madam Speaker, I have moved this resolution on behalf of the Liberals because in a word not enough is being done across this land to fight bigotry, intolerance, discrimination, and racism.

Canadians possess one of the world's most fortunate and favoured countries. We have national and personal security, peaceful lives, great prosperity by any standard, spiritual freedom, democracy, personal privacy, an abundance of individual choices about how we live. Our public policies express the decency and tolerance which is a large part of our heritage.

• (1010)

Unlike the nations which embody the values of a single culture and empower that culture with little need to give thought or care to minoritarian interests, Canada began with an accommodation of a minority. Otherwise we would not have had this country. The fundamental principles on which Canada is built reflect the need for justice and fairness for minorities and for the individual. Over 120 years history has made us a nation of minorities. Today, no one culture or historic national group can claim the allegiance of more than half the country.

Our successful life together has given us the background, the tested and improved tools of the experience of our national life and in the human experience of our citizens, on our statute books federal and provincial, in the rules of our public institutions, to be a truly just society.

The genius of Canada is that not only did we learn to cope with our diversity, but we made it an enriching feature of our national life and not a drain on it.

It would be a betrayal of the truth, however, to set out the record of Canada as a fair and justice democracy, as I have done, without acknowledging the history of shortcomings and living up to the ideals which we call Canada; to say what I have about the openness and tolerance,

which is the greatness of Canada, without acknowledging the denial of rights, the suppression of fundamental freedoms to whole groups, and the official injustices based often sanctimoniously on sex, race, creed, region, religion, or historic origin.

The resolution before the House is not about history, because we cannot change our history and because through all of our history our eventual resolution and the national purpose was to recognize our faults, not to seek to justify them; to be more sensitive; to learn from our mistakes to the minorities in our country; and to design measures to promote fairness. Even if solutions were found too late to help the actual individuals who were victims of injustice, solutions have come and we have recognized our shortcomings and moved to improve the system.

While I do not want to dwell on the failings and shortcomings of the past, I do want to dwell on the failings and shortcomings of the present, because I am alarmed by them and because I think the whole country should be alarmed by them.

There are developments all over Canada which show the extent to which we continue to fail ourselves and our fellow Canadians. There are vast shortcomings which doom whole groups and communities to lesser status and which make a cruel joke out of the idea that everyone has an equal opportunity, or anything like an equal opportunity.

[*Translation*]

Madam Speaker, during the course of the day, my colleagues will speak of our country's shortcomings with respect to the status of women, to racial minorities and to our Native peoples.

Indeed, Madam Speaker, we intend to spend a whole day dealing with injustice towards Natives, and outlining our ideas for improving the situation to Canadians and to the government.

[*English*]

On the subject of native justice and the situation of the native people, I have to address and mention as a particular case the Donald Marshall inquiry, the results of which were made public over the last two weeks. That inquiry reveals the extent to which racism underlies the whole of the criminal justice system of the province of Nova Scotia. We all know that similar findings could be made in other parts of our country. An Indian man was sentenced to prison for 11 years, totally based, according to the report, on elements of racial prejudice.

There are vast systemic injustices in our country which doom too many to less opportunity, less education, less income, less health and to shorter lives. This denial is in itself unfair, but Canada cannot afford it either. We cannot afford the loss that is caused by denying opportunity to all Canadians. We need the contribution that every individual can make when his worth is recognized and when he is given an equal opportunity.

I want to talk about large injustices and the deprivation of rights that result from them, but I also want to talk about small matters and incidents. I want to give some examples which do not in themselves take away anyone's rights or reduce anyone's individual entitlement but which affect their dignity and which diminish their pride in Canada and, in diminishing their pride in Canada, weaken the country. I want to talk about two such incidents.

One is the decision of the municipality of Sault Ste. Marie to follow the example of a few other Ontario municipalities and to go "unilingual English". Every informed citizen in that community knew that no one was asking Sault Ste. Marie to go bilingual, whatever that would have meant. The achievement of Bill 8 by the Province of Ontario does not impose requirements on any municipalities. In fact for Sault Ste. Marie it would not alter the life or the opportunities of any of the people of Sault Ste. Marie so far as provincial services are concerned.

The resolution of that community is nothing but a mean-minded statement designed, I would assume, to send a message. What is the message? Maybe it was meant to punish all of Canada's francophones for the action of the Government of Quebec in limiting, to the extent that the Government of Quebec has, free expression by anglophones in the province of Quebec.

That sad development in Quebec was also deplorable, and I and many other Canadians condemned it. Unlike the gesture by the town of Sault Ste. Marie, it was a move in the province of Quebec which actually does limit the rights of people as defined by the Supreme Court of Canada. It was a move which confirmed a sense of despair in the anglophone community of Quebec and which no doubt will be a factor in contributing to the departure from the province of Quebec of some anglo-

phones, a province which anglophones love as much as francophones who live there do.

I spent some time yesterday listening to the hot-line programs across the province of Quebec. I can tell the people of the municipality of Sault Ste. Marie that if their message was meant to encourage an improvement, it has not done so. It has only made things worse, as predictably it would. It makes it look as if this country has forgotten the openness or accommodation which is the essential ingredient of our creation as a country and the key to our good fortune as a country.

We never had the choice in Canada of being the monolithic culture which some countries are and which for some has given meaning to their national identity. We do not have that choice today. If we try to deny our diversity and suppress our differences, we will destroy ourselves.

The second example that I wanted to refer to is also a small incident in itself, small in a sense that it takes no one's rights away, but it directly affects the dignity of Canadians. I am referring to the rash of racist buttons which are being sold and eagerly bought by some in western Canada. As I say, these buttons do not take rights away, but they do attack the dignity of those they insult. They are most hurtful in their portrayal of non-whites as inferior races who are not a cultural match for whites.

This could be ignored as nonsense if it was not so hurtful. The false portrayal of the so-called sad plight of the whites in Canadian society makes a statement very far from true about the status of whites in Canada in every category of status comparison with non-whites. It is deplorable if not illegal and, while no one suffers the loss of rights, I ask the people who wear them to consider how it makes young Sikhs, young blacks, young Indians, and young orientals who were born in Canada feel when they see these insults.

• (1020)

In conclusion, the resolution is moved because it is not enough to identify problems. It is not enough to put in place national institutions, as we have done, or those which we will establish today to address these problems. We need to call on all Canadians who recognize what is at stake, who see that something precious is in danger, that our heritage is in danger and that our future together is in danger, to speak out. For the worst to triumph all that is required is for good people to remain silent.

Mr. Allmand: Madam Speaker, I want to congratulate the hon. member on his very worth-while motion. It is a motion which asks this House to condemn intolerance and urges the government to play a role in strengthening understanding and respect among Canadians.

As the member knows, yesterday was the twenty-fifth anniversary of the Royal Commission on Bilingualism and Biculturalism. It is a landmark statement with respect to tolerance and understanding. It is a report which recommended tolerance in language rights, and which said that both francophones and anglophones in this country should have the right to use their own language, to have their own schools, to have their own institutions such as radio, television and health institutions. Unfortunately, 25 years later progress has been uneven.

The hon. member mentioned in his speech the recent decision by the city council at Sault Ste. Marie, a very unfortunate and prejudicial decision directed against francophones. We deplore and condemn that action. On the other hand, we have the passage of Bill 178 in Quebec, passed against the judgment of the Supreme Court by the use of the notwithstanding clause. Therefore, we have instances of intolerance and prejudice both directed against francophones and directed against anglophones.

I would ask the member if he has some suggestions to make to the House with respect to not only the situation in Sault Ste. Marie, but also to the fact that the Government of Quebec would pass a law which I believe to be an intolerant law forbidding the use of languages other than French, even though the Supreme Court suggested that the Government of Quebec might mandate the use of French but should not ban the use of other languages. It even recognized the priority of the French language in Quebec.

What recommendations can the member make to this House, since he is the initiator of this motion, to bring about greater understanding and peace, not only in Quebec between anglophones and francophones but throughout the country, and to move ahead in the true

spirit of the Royal Commission on Bilingualism and Biculturalism?

Mr. Kaplan: I would like to thank my colleague for expressing so well the problems of intolerance behind some of the setbacks taking place in the country which inspired today's resolution. I hope it will lead to a greater recognition across Canada of a fact which I offer to the hon. member as at least a large part of the solution, that is recognizing what it is that has made this country great and what it is at the bottom that has made this country possible: the accommodation of difference and respect for it.

I do not want to abstract the problem from the context of the two situations that he referred to, the situation in Sault Ste. Marie and the situation with the anglophone language of signs right which was affected and diminished by Bill 178 in the province of Quebec. I deplore what happened in the province of Quebec at the time, as I deplore what happened in the city of Sault Ste. Marie.

Surely the solution is for us all to recognize as a nation what we have to gain by mutual respect and by respecting in particular those rights which are recognized by the Supreme Court of Canada.

We do not build a nation and then sit back and enjoy it. Building a nation is something that has to be done every day. We should be alert and vigilant every day to the suppression of rights, to insults to minority groups, and we should take steps when we see them to call them what they are.

[*Translation*]

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Madam Speaker, I am sharing my time with the hon. member for York Centre (Mr. Kaplan).

I welcome the opportunity to take part in today's debate. As a people, Canadians commit themselves to the creation of a society that ensures equality and justice for all, regardless of race or ethnic origin.

We find these words in the preamble to the Acknowledgment text signed by the present Prime Minister of Canada (Mr. Mulroney).

Madam Speaker, I would like to know to whom these words apply. If we look at what is happening in this country, the principles of equality and justice for all seem at times, I would even say all too often, to be ignored by the very people whose mandate it is to uphold these principles.

Madam Speaker, I ask the Minister of Justice (Mr. Lewis), where was justice in the trial of Donald Marshall in Halifax? Where was equality for all, when Donald Marshall, son of the Grand Chief of the Micmac Indians, was arrested? And this is only one of many cases.

[*English*]

Two research studies done in Nova Scotia have shown that prejudice against the natives and blacks is prevalent and leads to discrimination against them in the justice system.

A study by Dr. Wilson Head, president of the Federation on Race Relations in Toronto, and Donald Clairmont, a Dalhousie University sociologist, state clearly that "blacks have been viewed as undesirable, unable to adapt to a cold climate, shiftless, lazy, and fit only for slavery and as servants of the wealthy."

[*Translation*]

Madam Speaker, the intolerance and prejudice that exist in our society are unacceptable. It is high time the government got the situation under control, before it is too late. We must invest in citizenship programs. We must provide new immigrants, who often become the scapegoats of our frustrations, the resources they need to acquire a better understanding of the culture in which they have chosen to live. We must give them the means to adjust to their new country by helping them acquire a good knowledge of the language of daily life. Above all, however, and this may be where we have failed most, we must encourage Canadians to learn to know and accept Canada's new image.

Madam Speaker, it is important for various ethnic and racial groups to be visible in all areas that influence the image the government wishes to project of Canadian society. We need them in the government, at the decision-making level; in the media, to help prepare programs and series that are representative of the new Canadian reality; and in education, at all levels. If the government really wants to wipe out inequality and intolerance in this country, it must set an example. All Canadians must have their place in all sectors of our society.

Madam Speaker, it is unacceptable that in 1990, I should still receive letters from people who are being denied—one wonders on what authority—the right to be different.

I would like to read a short passage from a five-page letter I received from one of my constituents. I may point out that this person was employed in the Public Service. She has been in Canada for 25 years, and her only fault was that she was an immigrant. She explained in her letter that she tried to open the window of a room filled with cigarette smoke. I apologize for the unparliamentary language, but this is a daily part of some people's lives.

• (1030)

So I beg the indulgence of the Chair and my colleagues. I quote:

"I asked for permission to open the window (since I did not have the right to touch any window or door and I always had to ask for permission, just in my case, but if any other employees did, it was all right. —Then the cleaner jumped on me, shouting and calling me a 'damn immigrant woman. Why don't you go back to your land of camels? You have come to take our place, damn you. You won't stay here long.'" She continues: "I asked him, 'How do you know that I won't stay here?' He answered, 'I have been told and everyone knows, damn you.' I went to see the manager. He blushed and told me, 'This is a democracy. The majority wins.'"

[*English*]

The letter continues. This is not an isolated case. I am certain that everyone in this room knows of someone being abused in some way. We even do it in our ethnic and racial jokes. We never think of the effect it can have on the group we are joking about.

If we really want our nation to stay one, it is high time the government publicly condemned intolerance and prejudice and played a leading role in strengthening understanding and respect among Canadians and those who aspire to become Canadians.

The government must be pro-active. It must stop reacting to crisis and start weaving bonds between all, young and old, all professions and all cultures, all religions and all races. If we can do it to fight a war, why can we not do it to guarantee peace? What does this say for our society?

[*Translation*]

I am very concerned when a society has reached a point where a disenchanted employee can take the liberty to give the weather forecast, slipping in a message of intolerance like this, and I quote:

[*English*]

"Today, mainly sunny with racists. Then clouding over this afternoon with a chance of flurries and Nazis."

[*Translation*]

Those were the words used.

Madam Speaker, throughout Canada, intolerance is on the rise. Now we must stop saying so, playing the ostrich and hoping it will go away. We must take concrete action. We can no longer afford to wait for miracle solutions. The government must act, take a stand and provide support wherever this positive action is taken.

Madam Speaker, how can we tolerate racist buttons whose purpose is to denigrate another human being? Have we become so indifferent to what is going on around us? When will the government admit that however small the offense, even if it is just a button, it is still an offense and often it is an accumulation of small incidents that finally cause peace to break down, just as water eats away at a rock?

[*English*]

I do not think at this time that I need to pinpoint events where intolerance and prejudice are, sad to say, daily news. I condemn this and urge the government to play its role in strengthening understanding and respect among Canadians.

[*Translation*]

In conclusion, I would like to quote another great Canadian: "If we want to be independent and proud, we must keep this country united."

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I would like to congratulate the hon. member for Saint-Laurent—Cartierville (Mrs. Maheu) for her excellent speech on Canadian citizenship and what it really means. I would also like to congratulate the hon. member for York Centre (Mr. Kaplan). First, his motion:

That this House condemn the intolerance and prejudice in Canadian society that damages the fabric of the nation and urge the government

and all members of Parliament to play a role in strengthening understanding and respect among Canadians.

As a Canadian citizen who is a fourth-generation Franco-Ontarian, I have often lived with prejudice and I am very sorry to see how much prejudice some people in Quebec have against their English-speaking fellow citizens. This week I was greatly distressed by the negative reaction exemplified in Sault Ste. Marie. As a former alderman, I know that small groups often lobby municipal councils for one cause or another; 99.9 per cent of the time, these causes are very worthwhile and municipal councils often present motions to accommodate groups and thus show their attitude to some event or other. In the case of Sault Ste. Marie, they had nothing to gain; it was negative, very negative. There was no reason for it to happen. I am afraid that the next resolution in a place like Sault Ste. Marie will be about people's colour. Then will it be religion? Canada was built by French, British, European, Asian and other immigrants. Because of intolerance, we came here to America to find a better world. And it is really deplorable that a generation or two or three later, the descendants of immigrants present such negative resolutions. So I congratulate the two hon. members who spoke before me for their presentation on tolerance in Canada.

The Acting Speaker (Mrs. Champagne): Further questions or comments? Resuming debate. The Secretary of State of Canada (Mr. Wiener).

[*English*]

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, in response to the hon. member's motion I wish to reaffirm this Canadian government's commitment to the principles of tolerance, respect and understanding for all Canadians.

About three decades ago Martin Luther King, Jr., said: "Injustice anywhere is a threat to justice everywhere." This is why we have been working with groups across the country to eliminate intolerance, racism and racial discrimination in order to build a more just and caring society. It goes without saying that the first salvo in the battle against intolerance and racial discrimination is the acknowledgement of the presence of these evils in our society. We know there is prejudice in our society. We have all come into contact with it. But government alone cannot eliminate intolerance and racism.

We must have the co-operation of like-minded citizens. A recent incident shows that we have many Canadians willing to speak out against prejudice. Hon. members are aware of the racist pin being sold in Calgary. Its sale was another example of the intolerance we must overcome. The sale of this pin also brought home the fact that Canadians will not tolerate such an attitude. The swift reaction to this pin was most encouraging. The community came together and spoke out against its blatant prejudice. Editorial writers, columnists, the mayor of Calgary, the Alberta Human Rights Commission, the business community, all have spoken out against the blatant prejudice of these products. I myself issued a very strong condemnation of this very abominable behaviour.

The reaction to an incident such as this demonstrates the true heart of Canada. Canadians not only in Calgary, not only in Alberta, but throughout the country made their voices heard. They spelled it out. Racist symbols and the hatred they generate will not be tolerated.

• (1040)

We know the majority of Canadians celebrate the rich cultural diversity of Canada, but this government wants to ensure that cultural diversity, which we have declared in law to be a fundamental characteristic of Canada, is realized in fact.

[*Translation*]

Madam Speaker, Canada is lucky to be a young and free country, founded on the principles of openness and tolerance. We are a peace-loving people, a society that has always put the well-being and interests of its citizens above any other considerations, a country that has always cultivated the values of equality.

Entire generations of Canadians of all origins chose Canada because they knew they could live in peace and prosper in this country. They did far more than that, however. They helped make this country what it is today. It is largely thanks to them that today, Canada is a prosperous nation and one of the world's great industrial powers. It is also thanks to them that today, the Canadian character stands for something unique in this world, based on generosity, solidarity, and respect for others.

[*English*]

The multiculturalism policy of this government has created a vision of this country. It is a vision of nation-building and of national unity. We are building political and national unity out of our cultural diversity. Our diversity is what strengthens us. This is nation-building; this is equality; this is social justice. For this government multiculturalism is not simply the recognition of cultural diversity. For us it is an egalitarian and anti-racist philosophy and program.

Philosophically multiculturalism is a way of thinking about cultural diversity which emphasizes that all citizens have equal political, social and cultural rights. It views cultural differences as features of social life which must be incorporated into all aspects of the functioning of the state. To do otherwise would be to allow our cultural differences to destabilize society. With regard to racism, multiculturalism holds that it is at best pseudo-scientific nonsense and at worst a blatant fraud.

Programmatically multiculturalism seeks to preserve, enhance and share the elements of cultural diversity by, among other things, supporting the teaching of heritage languages, establishing chairs of ethnic studies and encouraging various artistic productions. In this endeavour it recognizes the need for active participation with the community, with institutions and with all levels of government as we pursue the important task of nation-building. Multiculturalism is also dedicated to the eradication of racism by relentlessly exposing its pseudo-scientific and fraudulent assumptions and by bringing about changes in social institutions that perpetuate inequality on the basis of cultural and physical differences.

This government introduced the first Employment Equity Act. It also established a committee to advise the Treasury Board on the representation of visible minorities in the Public Service. We opened up the Canadian Jobs Strategy to enable more immigrant women to benefit from language and skills training. We have addressed the grievances of Japanese Canadians, brought into law the Canadian Multiculturalism Act and introduced Bill C-18 to establish the new Department of Multiculturalism and Citizenship. This new department will strengthen national integration and national identity and will enable all Canadians to participate fully and without discrimination in building the nation's future. It will work with community groups to break down the barriers and limitations that deny some Canadians full participation in day to day community life.

This nation has a rich cultural and ethnic diversity. It must be allowed to be given full expression in terms of our citizenship. Full citizenship demands full participation. It demands equal access for each one of us and we will not accept any less.

We have been working very vigorously to make Canadians much more aware of the benefits that this brings to the nation and to show how much more productive we have become, how much more challenging we are, how much more competitive we are when we use our full human resource.

We have been building partnerships so that multiculturalism is mainstream for every institution of the community. We have been examining how we can, through this program and with this cross-government commitment, examine every institution to see how they can be helped to become more familiar with it, allow more participation and derive more benefit from having this full and open participation. And, we have been making significant progress.

Our Canadian Multiculturalism Act provides a strong legislative base to promote social justice and equal opportunity for all Canadians. There is an increasing appreciation that the task of nation building is profoundly influenced by our social and cultural relations. Recognizing this, our Multiculturalism Act pledges that the Canadian government go beyond establishing equality rights. It promotes a multicultural and open society where all Canadians can participate and can contribute to their fullest extent.

The act strengthens our Canadian identity. It contributes to our understanding and acceptance of each other's uniqueness. It commits the Canadian government to ensuring that all Canadians can participate fully and without discrimination in defining and building Canada's future. Our multiculturalism policy will help Canada enter the 21st century with emphasis on the positive aspects of coexistence among culturally diverse communities.

The act is a direct result of our efforts to develop a model society. We have developed a society where diversity is acknowledged as a strength and where

freedom and tolerance, fairness and courtesy, compassion and common sense are overriding characteristics. This is what we mean by cultural integration, not the form of assimilation which has been tried in other parts of the world. We believe in the preservation and the enrichment of our society for all Canadians. This has become a unique world model being examined and followed by nations around the globe.

The act that we brought forward states that multiculturalism is a fundamental characteristic of our society. That is a key statement of government policy, because it establishes for the first time in law that cultural diversity must be taken into consideration in the decision making of all government institutions.

Our new Governor General, His Excellency, the Right Hon. Ramon Hnatyshyn, expressed the identity of our country in his inaugural address this past Monday:

> The ability to change and move with history has been bred into the Canadian character. We are an Atlantic country, a Pacific Rim country, and we are linked almost mystically with the north. Rather than locking ourselves into rigid definitions and ways of acting, we have moulded ourselves into a complex and subtle nation.

[*Translation*]

The Department for which I am responsible has always worked very hard, especially in recent years, to fight discrimination and promote equal opportunities for all citizens.

For instance, in recent years the Women's Program at the Department of the Secretary of State has provided financial and many other types of support for many organizations involved in promoting women's rights. We have placed special emphasis on promoting economic equality, access to social justice and services, and the full and complete participation of women in society.

For a number of years the Canadian Charter of Rights and Freedoms and federal and provincial human rights legislation have helped to reduce various forms of discrimination and inequality affecting women. Of course, much remains to be done, but in this respect Canada compares well with most other countries.

• (1050)

[*English*]

Earlier I spoke of a racist incident that brought a strong response from many Canadians. Now I wish to say a few words about the government's formal efforts to combat racist attitudes.

We have a race relations and cross-cultural understanding program. It supports efforts by Canadian institutions, community groups and individuals to eliminate discrimination and foster understanding. The program encourages institutions in fields such as justice, education, labour, social services and the media to better serve our multicultural society. It helps community organizations promote equality and mutual understanding. It provides financial assistance for research and development of cross-culture training methods.

Under this program, in partnership with the Canadian Association of Chiefs of Police, we have carried out several initiatives designed to help police forces become more sensitive to our country's cultural diversity. We have assisted the Federation of Canadian Municipalities in implementing its own municipal race relations program. We have supported such activities as the establishment of the National Action Committee on Race Relations. The program has also assisted the Canadian Human Rights Foundation in helping promote awareness in the legal community of the legal basis of multiculturalism.

Under the program, we held a national symposium on the impact of media on race relations. Hon. members will recall that only two days ago I tabled a bill in the House to establish the Canadian Race Relations Foundation with its principal office in metropolitan Toronto.

Hon. members will also be familiar with the government's initiatives marking the International Day for the Elimination of Racial Discrimination on March 21. We will continue to use special days like March 21 to focus attention on the issues.

The Prime Minister of Canada, speaking at the installation of our new Governor General on Monday, said:

> Canada has constitutional promises to keep, multiple cultures to reconcile and regional disparities to redress. The task of nation-

building is often difficult, and its fruits are rarely perfect. But they are the culmination of generous contributions to a noble cause—the building of a strengthened and progressive nation.

I share with the Prime Minister a vision of a new Canada, a Canada where our different customs and traditions, our origins and colour of our skin are a wonderful and varied expression of our common humanity. We are striving for a diversity to which we all contribute, a diversity from which we all benefit.

[*Translation*]

To achieve harmony among our various cultural groups remains one of the fundamental objectives of Canadian society.

Madam Speaker, I am very proud to have been given a chance to work towards this goal. Considerable progress has been made this year.

[*English*]

I have noticed a lot of good will, a lot of realism, a lot of understanding. We will soon be bringing forward a Canadian multiculturalism advisory committee. It will bring forward individuals representative of the varied institutions that we will be working with: labour, business, the voluntary sector, education, private and public sectors, health and social services. It will be an opportunity for us to examine institutions within the community to see how they can, once and for all, allow the full participation of all of our citizens.

It is an area of our endeavour of which we are particularly proud. There are still far too many incidents that are disquietening, with distressing undercurrents. We are developing initiatives to address concerns such as those raised by the Marshall inquiry in a very proactive manner. We have been consulting actively. For example, I have been to Halifax four times in the last year.

We have some very exciting ideas. I signed an agreement this past year with the city of Halifax on a very important initiative. We are looking to bring forward more important programs to help create equality in this society.

Wherever we turn, I have been forceful and vigilant on behalf of the government. I am pleased to say that Canadians from coast to coast have been very helpful in wanting to get more involved in the issue. I am thankful that we have an opportunity today, not only to reach all members of Parliament, but to be able sensitize the entire Canadian community to the benefits of what we are talking about. To keep a situation of second-class citizenship in the country is dangerous. It promotes racial tensions, and it is something we must avoid at all costs.

Mr. Allmand: Madam Speaker, an initiative that was supposed to deal with intolerance and prejudice in the workplace was the government's Employment Equity Act passed in 1986. This law was supposed to implement affirmative action programs for women, visible minorities, aboriginal people and disabled people. Two years after the passage of the act very little progress has been made, and that was pointed out in the annual report pursuant to the act which was tabled in this House at the end of 1989.

Following the tabling of that report, Max Yalden, Commissioner of the Canadian Human Rights Commission, stated that very little progress had been made. That criticism was seconded by the National Action Committee on the Status of Women and the Canadian Ethnocultural Council.

In his speech the minister made some very strong statements against prejudice, and I congratulate him on that. There were some very good statements.

If he is sincere in what he says, will he not recommend to his colleague, the Minister of Employment and Immigration who is responsible for the Employment Equity Act, to amend that act so it can be an effective act? The stated purposes in the act are very good, but the act is inadequate in that it does not have effective sanctions or an effective enforcement agency.

If the minister is sincere and if the government is sincere in trying to do the things that they say they stand for, surely they will want to amend that act so that we will not continue to get the kind of reports that we got this year. For example, even companies like the Canada Post Corporation and the CBC, all Crown companies, were getting failing grades against all target groups such as women, visible minorities, aboriginal people and disabled people. They had a horrible record, according to this report. It included private companies as well.

Would he not support an initiative to amend that law to make it do what he really wants to do?

Mr. Weiner: Madam Speaker, the hon. member for Notre-Dame-de-Grâce will know that I served as the parliamentary secretary at the time the employment equity bill was brought forward.

I have heard the Minister of State for Employment and Immigration respond that they are currently examining the whole process of what has been implemented and the effect of it on the program. In a very short period of time, she will be coming to her cabinet colleagues and discussing with them an opportunity of perhaps further strengthening the process.

I am certainly awaiting what she will bring forward from within her area of responsibility. I will indicate that those who have heard me across the country, wherever I have been, certainly have not found me to be lacking in the understanding I have of the inequality I have found.

I am not new to this issue. I have worked as a volunteer in the field all my life. If there is one thing that I carry with me from my youth it is a remembrance of the intolerance, the lack of understanding and the lack of opportunity that I faced as a member of a cultural community at that time. Many members of my community have now overcome it, but it is still blatant and present for many others.

What I have said as an individual and offering the leadership of the federal government is that we have been prepared to examine every institution beginning with ourselves and demand that once and for all it provide full equality, full access, and full understanding. That is what our citizenship demands and we will accept no less.

The Acting Speaker (Mrs. Champagne): There will be five minutes left in the questions and comment period following the minister's speech after Question Period.

[*Translation*]

It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by Members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SMALL BUSINESS

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, for many months now my office has been offering a sympathetic ear to small business in my riding. Their concerns are not simply the monetary expenses which they will be confronted with in administering the GST. They are also concerned about the logistics and added pressures of dealing with the ever-deeper reach which this government is making into their lives and livelihood.

For example, tax preparers will be forced to submit pages 5 and 6 of every individual return for 1989 on green paper. Normally blue paper is accepted for income tax returns but pages 5 and 6 are the GST refund application forms. The government seems unable and unwilling to take its time to sort these pages out on its own. Instead they are placing the monumental task of submitting 2.5 million prepared forms on the backs of the tax preparers.

I suggest to the government that the Minister of Finance has set these tasks and expenses upon the backs of the small businessmen of Canada at his and his government's peril, and a further frustration for small business.

* * *

[*Translation*]

COMMONWEALTH GAMES

Mr. Gabriel Desjardins (Témiscamingue): Madam Speaker, today I would like to draw the attention of the House to the outstanding performance of Quebec athletes at the Commonwealth Games in Auckland. I would like to pay tribute to Guillaume Leblanc of Rimouski, who yesterday won a gold medal in the 30-kilometre racewalk. He finished the race in two hours, eight minutes and 28 seconds. This was Guillaume Leblanc's third time at the Olympics, after Seoul and Los Angeles.

I would also like to mention the excellent work done by Joanne Falardeau of Quebec City and Denyse Julien of Rouyn-Noranda, who won a bronze medal in badminton doubles. These achievements are the result of

incredible perseverance and hard work, something only exceptionally dynamic athletes can manage. I am sure that hon. members will wish to join me today in applauding these athletes from Quebec who honour our country with their success.

* * *

[*English*]

RELEASE OF NELSON MANDELA

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, radio and TV today announced that Prime Minister de Klerk of South Africa will he says soon release Nelson Mandela and legalize the African National Congress and other organizations which have been banned. This is something that people all over the world have worked for.

But we should be especially thankful to the courageous and mainly peaceful struggle of the South African people, blacks and whites, Christians and communists, who have struggled for half a century for justice against apartheid. We should thank also the United Nations which made apartheid illegal under international law and encouraged sanctions by many countries to put pressure on the apartheid government.

We should also look to the future because the African National Congress Charter, which was banned as a subversive document, calls among other things for universal literacy in a government drive against illiteracy, for health care, for housing and these are all matters in which we could copy the Charter of the African National Congress.

* * *

CANADIAN RACE RELATIONS FOUNDATION

Mr. David Bjornson (Selkirk): Madam Speaker, yesterday the Minister of State for Multiculturalism and Citizenship, the hon. Gerry Weiner tabled a bill to establish a Canadian Race Relations Foundation. Tabling this legislation reinforces the government's commitment to equality for all Canadians as expressed in the Canadian Charter of Rights and Freedoms and in the Multiculturalism Act.

The foundation will serve as a national resource for community groups, governments, institutions, the private sector, researchers and the general public to further. their understanding of racism and racial disrimination in Canadian society. The foundation, whose principal office will be located in the Toronto area, will be instrumental in the elimination of racism and all forms of racial discrimination in Canadian society.

I urge the hon. members to support the new foundation in its effort to combat racism wherever it exists.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Madam Speaker, the role of the CBC in Canada is no less vital today than it has been at any time in our history. Canadians who value this great national institution should, may I say with great respect, wake up to the fact that the CBC as we have known it in this country is now about to be destroyed. May I suggest, Madam Speaker, by a deliberate design of the government opposite, primarily by the Minister of Finance who, in his headlong rush to meet his economic priorities, is destroying a part of Canada's heritage, destroying that institution that has provided the nation with a mirror of itself and mirrors this nation to the rest of the world, the Canadian Broadcasting Corporation.

On Tuesday, the CBC announced cuts of $140 million over four years laying off 500 employees. On Wednesday, the Minister of Communications suggested CBC should get out of the advertising business, a loss of $360 million a year, and today we find out that childrens' programming is being cut by the CBC. There is pitifully little enough good children's programming available to our children in this nation. There is fewer still of good Canadian programming. Let's stop the destruction of Canada's culture and a great national Canadian institution.

* * *

REFORESTATION

Mr. Ross Stevenson (Durham): Madam Speaker, government and landowners should seek every opportunity to plant more trees. Presently there are a variety of federal and provincial government programs to assist reforestation. While these programs have proven quite successful, we still face a tremendous opportunity and challenge for replenishing and expanding our forests. Canada has vast areas of rural wasteland in regions

where the climate is ideal for growing trees. This land should be planted with trees.

The National Soil Conservation Program and associated agreements with the provinces offer another opportunity to stimulate reforestation. Under these new programs highly erodable land will no longer be used for production of annual field crops. Trees could be a part of the permanent ground cover for such lands. The largest challenge and responsibility falls on individual landowners. I urge those with unproductive or erosion-prone rural lands to make a resolution for the 1990s. That resolution should be "Plant Trees".

* * *

FINANCE

Mr. Rod Murphy (Churchill): Madam Speaker, I rise today to speak on a serious concern. We know that sometime this month the Minister of Finance is going to introduce his budget for the upcoming year. We also have been told by the same minister that he does not have the time to meet with ordinary Canadians. This year the hon. minister has chosen to prepare his budget behind closed doors surrounded only by his nearest and dearest.

The government can promise Boeing $150 million prior to the budget but it cannot meet with ordinary Canadians. Perhaps since the minister refuses to meet and consult with the rest of us, he will simply announce in this House what he will do and what workers should do with regard to negotiating higher raises to counteract the GST. You know the GST, Madam Speaker. That is the tax on which Jean Chrétien will not give his position.

Some hon. members: Oh, oh!

Mr. Murphy: Should northern workers start bargaining for benefits to compensate for the impending loss of northern tax benefits? Should other workers be concerned about what is going to happen to UI premiums? What is going to happen to medicare and health programs across this country? When is the minister going to talk with ordinary Canadians and tell us what our future is all about?

* * *

ABORIGINAL PEOPLES

Mr. Jack Iyerak Anawak (Nunatsiaq): Madam Speaker, the report of the Royal Commission on the Donald Marshall case is forcing Canadians to re-assess their attitudes and examine the extent of intolerance, discrimination and prejudice in Canadian society.

Aboriginal people are still in some parts of the country confronted daily with racial prejudice. It is hard to for aboriginal people to watch television movies in which our people are slow, dumb, vicious, blood-thirsty and speak in one- syllables. It is difficult to read old books which portray aboriginal people as "primitive" and "uncivilized". The recently re-released book of Pierre Berton, *The Mysterious North* is a modern example of old attitudes. Originally published in 1956 its descriptions of aboriginal people are offensive.

• (1110)

In a preface to the 1989 edition, Berton acknowledges that attitudes have changes toward the north and aboriginal people since the 1950s. While the book may be entertaining reading for most people—it won the Governor General's award—its repackaging is painful reading for aboriginal people.

* * *

PRINCE EDWARD ISLAND

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, in the past couple of weeks we have had a couple of announcements coming out of Prince Edward Island. Both of these announcements were made for the best of reasons. They were made by two major corporations, McCain's and Irving's.

They were really announcements of how positive we are in Atlantic Canada. Both of these companies are expanding in Prince Edward Island for the very best of reasons, namely, that we can in Atlantic Canada do what we do best, do it better than any part of the world and compete on a very even and level playing field.

With these announcements nothing was done at the expense of the industry in any part of Canada nor will they endanger the industry in any other part of Canada. I am very proud of what the Irving and McCain corporations are doing in Prince Edward Island. I think as Canadians we can be very proud of the fact that we can compete on the international market.

WINTERLUDE 1990

Mrs. Beryl Gaffney (Nepean): Madam Speaker, the temperature in the National Capital Region dropped overnight and as the final ingredient for another successful Winterlude the weather kicked into gear.

Thanks to all the volunteers and organizers, the people of the National Capital Region and the more than the million tourists who come to the nation's capital to participate in the ten-day party, Winterlude, 1990, can begin.

This year's theme is distinctly Denmark and promises to be the best ever. So put on your toque and mitts and have some fun. See the ice sculptures, watch the races and the fireworks, go for a skate on the canal while feasting on a beaver tail. Take a sleigh ride and cheer on the participants in the many competitions. Laugh with the clowns and watch the barrel jumpers. Enjoy the culinary dishes available at every turn. More than 300 events will take place over the next ten days so participate and enjoy.

In my constituency of Nepean we too will have programs. Hot air balloons and kites will fly the air tonight. The nation's capital is ready. The people are energetic. The weather is perfect.

Some hon. members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Madam Speaker, this morning we have every reason to rejoice, since President de Klerk of South Africa has made a start with reforms, announcing he will release leader Nelson Mandela and showing his willingness to negotiate in order to unban the Africa National Congress and other factions that want recognition of human rights in South Africa. This step is partly the result of pressure by Commonwealth countries.

Since 1985, our Prime Minister and Secretary of State for External Affairs (Mr. Clark) have worked very hard to fight apartheid and to support recognition of the rights of our black brothers in South Africa. I want to congratulate them, and I also wish to mention the courage shown by our Prime Minister at the Commonwealth Conference in Vancouver in October 1987, and on so many other occasions.

I would urge President de Klerk to perseveres, and I think all Canadians should be delighted with the first step made this morning.

* * *

ALLEGED COMMENTS OF MINISTER

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, in this morning's *Journal de Montréal*, the federal Minister of Labour (Mr. Corbeil), who is the minister responsible for Montreal, said: "If Montreal's economy is in decline, it is mainly due to an ignorant labour force."

Madam Speaker, "an ignorant labour force". Is the Labour Minister speaking on behalf of the federal government when he says that about the working people of Montreal? Do his colleagues here from Quebec agree with the Minister of Labour of Canada? This morning, Madam Speaker, the Prime Minister is in Chambly for a by-election. Does the Prime Minister agree with his minister that the Montreal labour force is ignorant? If the Prime Minister agrees, will he repeat it to the voters of Chambly this morning? Or if he completely disagrees with his Labour Minister who said that this morning in Chambly, will he apologize on behalf of his minister? It is quite important, Madam Speaker!

* * *

[*English*]

SOUTH AFRICA

Mr. J. W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, with the announcements received today from South Africa's President de Klerk about proposed new directions toward the elimination of racial discrimination in that country, the world takes another giant step forward in the historic journal of global civilization.

This will be encouraging good news for all nations but particularly so for the Commonwealth countries whose efforts to promote reform in South Africa have been diligent and dedicated for a very long time. Canada has played a major role in these respects and credit is due both to our Prime Minister and to the Secretary of State for External Affairs for their personal stands and influ-

ence on these issues leading up to today's dramatic events.

Surely this profound progress on the world's stage in which Canada has had a part will intensify the commitment and the creative energy of all Canadians to the continued building of our own country as a leading model among nations of racial and linguistic tolerance in a caring, compassionate and civilized society.

ORAL QUESTION PERIOD

[*Translation*]

THE ENVIRONMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question this Friday morning is for the Deputy Prime Minister. The Environment Minister, who is not here this morning, is well known as the great expert on by-elections. He promised his own riding more than $160 million to ensure his own election on June 20, 1988. But as the Deputy Prime Minister well knows, only the Prime Minister's prestige friends are entitled to such special treatment.

After promising for months that he would find a solution to the problem of the PCB containers which are still in Saint-Basile-le-Grand, the Environment Minister told the people of that community very recently that the cost would be so huge that it could not be justified, even in an election campaign. That is what the Environment Minister said.

My question for the Deputy Prime Minister is: If the government can provide a safe seat for the Environment Minister, why is it unable to provide safe living conditions for the people of Saint-Basile-le-Grand?

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in the absence of the Minister of the Environment I would remind the right hon. member that the federal government has already contributed some $2 million in services to the people in the area and, furthermore, it is agreed to provide compensation in partnership with the province of Quebec. Those negotiations are still occurring. I might add that we have not as yet received a package from the province of Quebec indicating what its request will be of us.

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, again I address the Deputy Prime Minister, hoping for a reply. To show his alleged commitment to the environment and recycling programs, the government is recycling its old promises.

In 1988, the government promised to convert part of the firing range in Chambly into a green space. Now the Environment Minister is making the same promise again for this by-election. But only two years ago, eight soldiers were injured by a buried shell which exploded when they made a campfire. Will the Environment Minister stop manipulating the voters of Chambly? Why did he not ensure that the place was completely safe before recycling his own program?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence): Madam Speaker, I am pleased to respond to the question of the right hon. Leader of the Opposition. Of course, as he knows we have reached an arrangement whereby 85 hectares of the 512-hectare St. Bruno site will be transferred under the jurisdiction of the parks department. It is on the hillside to enable public access to that area which the public had been requesting for a number of years.

I would like to assure him that that range is only used for firing with blank ammunition. No live shells are used in the firing exercises at St. Bruno.

Some hon. members: Oh, oh!

Mrs. Collins: Mr. Speaker, I think it is important to remind the right hon. Leader of the Opposition that the incident to which he referred did not occur at the St. Bruno firing range. It occurred at Val Cartier which, of course, is quite a different place. So we can assure the public that there is no danger in the public utilization of the St. Bruno range. I am sure that it is going to be a very welcome addition for recreational activities for the people of Chambly.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am glad to know that once more this government, when it comes to a by-election, shoots nothing but blanks in order to get votes.

Some hon. members: Oh, Oh!

Some hon. members: Hear, hear!

• (1120)

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to put the following question to the Deputy Prime Minister. Only he can answer a question on general government policy.

The Minister of the Environment, using a metaphor that the minister has just used, has bombed in his portfolio as Minister of the Environment. He is too busy on by-elections to concentrate on the big picture and his big program. For months we have been told that the government has a new plan for the environment. For months we have been told that the government has real spending plans for the environment. For months we have been told to wait for the Minister of Finance because he and the Minister of the Environment, when the Budget is brought down, are going to have a great new environmental protection program for Canada. Now we read, and I want the Deputy Prime Minister to comment on these reports, that the Minister of the Environment has failed and has fired blanks with his colleagues, particularly the Minister of Finance, and there will be no such program.

Would he confirm or deny those press reports? Would he assure us, hopefully, that that great plan for the environment that we have been waiting for from this newly-minted minister will finally see the light of day for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Well, Mr. Speaker, when it comes to shooting blanks, the best example of that is the performance of the Leader of the Opposition in Question Period.

Some hon. members: Oh, oh!

Mr. Mazankowski: Again, the Leader of the Opposition is relying upon *The Globe and Mail* for his research. I suppose his research staff has left him already because he is looking for a new job. The fact is that the—

Mr. Turner (Vancouver Quadra): Where is your answer?

Mr. Mazankowski: I will give you an answer. As a matter of fact, the Leader of the Opposition had two good answers to two very legitimate questions. I want to compliment both members for enlightening the minister.

Mr. Simmons: Order.

Mr. Mazankowski: If you will just give a little time, I will answer the question.

Mr. Turner (Vancouver Quadra): How much time?

An hon. member: Stop rushing him.

Mr. Gray (Windsor West): If you would like to sit down and get up later on—

Some hon. members: Oh, oh!

Mr. Speaker: I am momentarily speechless. Perhaps the minister could finish his answer.

Ms. Clancy: He hasn't started yet.

Mr. Mazankowski: Mr. Speaker, the Leader of the Opposition should stop relying on *The Globe and Mail* for his questions in Question Period.

I can assure the hon. Leader of the Opposition, his colleagues, and the people of the country that the Minister of the Environment is working on a new environmental policy which will be all-encompassing. It is a very major priority. It was outlined in the Speech from the Throne and, as in so many other cases, when this government makes a commitment, it delivers.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, my question is directed to the Minister of Labour who is responsible for Montreal.

Three years after the publication of the Picard report suggesting a development plan for Montreal, noted the renowned economist Laurent Picard who wrote this report advises us now that it is being implemented in Toronto and not in Montreal.

Could the governement advise us whether it needs to take a geography course to find out where Montreal is really located? Could the Minister explain to me what stopped the government from implementing the recommendations of this report?

Hon. Jean Corbeil (Minister of Labour): First of all, Mr. Speaker, I should like to make it clear to the hon. member for Saint-Laurent—Cartierville that contrary to

the previous administration, this government has dealt effectively with the situation which has developed on the Island of Montreal over the past few years.

As a first step, the government passed a legislation dealing with pharmaceuticals which the opposition had fought tooth and nail and which now represents nearly $700 million in investments on the Island of Montreal.

Something the hon. member for Saint-Laurent—Cartierville might be unaware of, this government has contributed to the prosperity of the riding she lives and works in by granting $43 million to Canadair to help this corporation get involve in the production of the stretched Jet liner and create 2,000 new jobs in that industry.

The government I represent has located in the Montreal area the Space Agency which should be worth $3 billion to the Montreal economy over the next few years and which, as recently as last Friday, awarded a contract to the Spar Aerospace corporation in Montreal, resulting in some $140 million investments in that area.

When one considers the situation now with what it was previously, Mr. Speaker, one realizes that the level of unemployment is much lower on the Montreal Island.

Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I wish I had as much time as the minister!

By the way, most drug manufacturers are based in Toronto.

I should like to know why Mr. Picard, the author of the report, has seen fit to focus on the inaction of the very government that commissioned his report. Just what does the government plan to do in the immediate future to implement the Picard report recommendations?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, our government will continue to do the excellent job it has been doing in recent years. Again I would remind the seemingly forgetful Member for Saint-Laurent that our government made a major contribution towards the establishment of an agency called CITEC in her riding.

With respect to Montreal East, Mr. Speaker, which happens to be the island's worse off sector as a result of years of neglect on the part of our colleagues opposite, last year we invested $13 million in the Industrial Recovery Program for East End Montreal which attracted private sector investments of $65 million.

Mr. Speaker, I want to repeat in the House that, contrary to Mr. Picard's statement, a man whose professional credentials I duly acknowledge, the federal government is not primarily responsible for the economic recovery of the Island of Montreal. The impetus should originate from local circles and we intervene only to grease the wheels, not to set them in motion.

* * *

[*English*]

THE ENVIRONMENT

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister. Before the election in October, 1988, the Prime Minister made several very strong statements. He said on October 15, "We are prepared to subject every federal undertaking and every undertaking on federal lands to a full environmental impact study". On October 20, he said: "No area is higher on our environmental priority list than the Great Lakes themselves". On October 1, he said: "We stand for a cleaner, safer environment".

In the Throne Speech, this government's last Throne Speech, we were told, and I quote: "The world itself is facing an environmental challenge of unprecedented magnitude". These are serious words but there is no serious action. This government is doing nothing. It now appears that even the Minister of the Environment does not have the support of his colleagues. I ask the Deputy Prime Minister, when will he give this House a firm deadline for the introduction of the government's environmental plan?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as I think all members of the House know, it is exceedingly important that this country have the kind of legislation in place which will ensure that decisions of government respecting the environment made in the future will have clarity and certainty with respect to the responsibilities of this

government, the responsibilities of the provinces and all the interested parties.

As we know, the ERP guidelines which we inherited when we came to power in 1984 have clearly been found to be inadequate. As a result of that, the Minister of the Environment has committed himself to the formulation of new legislation which is part of an environmental agenda. That legislation and the environmental agenda require the co-operation and participation of all departments within this government. It is absolutely essential that this legislation and this agenda be drafted in such a way that we avoid the mistakes and messes created in the past by that party over there. Therefore, we are ensuring that the legislation be done in such a fashion. Although it may be later than we would wish, it will meet the test when it is there.

• (1130)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Deputy Prime Minister.

All that we can hear and all that Canadians can hear from the answer to the previous question is that this government was inadequate in 1984 in dealing with the environment, inadequate in 1988 and inadequate again in 1990. They cannot get their act together.

An hon. member: Six years later, nothing.

Ms. McLaughlin: Mr. Speaker, Canadians are fed up waiting for the government to act.

Let me ask the Deputy Prime Minister something more specific. Earlier this week the city of Toronto committed itself to a 20 per cent reduction in carbon emissions by the year 2005. This was something the minister of energy rejected despite the recommendations of many experts.

Will this government take some real action and commit itself to a reduction of carbon emissions by the year 2005?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, when the hon. member refers to the government's record on the environment as being inadequate, she is really misstating the facts. Quite frankly, since this government came into power we have brought in a Canadian Environmental Protection Act that stands as a model in the world, a made in Canada acid rain control program. We have the toughest controls on car emissions of any country in the world.

When it comes to water, we released a comprehensive federal water strategy, a $110 million clean-up of the St. Lawrence River, a $75 million clean-up of the Halifax Harbour, a clean-up of the Sydney tar ponds. We have negotiated and signed the Great Lakes Water Quality Agreement with the United States, created six new national parks, $106 million to South Moresby, the Rouge River Wilderness Park and created the first national marine park at Bruce Peninsula.

In addition to that, the leadership internationally has been outstanding both by the Prime Minister and the Minister of the Environment.

[*Translation*]

Mrs. Audrey McLaughlin (Yukon): I have a supplementary for the Deputy Prime Minister. Canadians are fed up with the empty promises of this government. Throughout the electoral campaign the government kept saying it would launch effective environmental assessment programs. Last fall the minister promised to introduce this kind of legislation. When will the minister table his bill?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, what I enunciated on behalf of the Minister of the Environment were not promises; they were undertakings and they were accomplishments.

As has been pointed out in the Speech from the Throne and has been enunciated by the Minister of the Environment, he is working on a comprehensive plan. Included in that will be legislation. I hope when the legislation is brought forth that that party will not diddle-daddle and subvert the democratic and parliamentary process by refusing to debate legislation with innocuous points of order and disruptive tactics that do that party no good and the House of Commons no good either.

CANADIAN BROADCASTING CORPORATION

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, my question is for the Deputy Prime Minister.

This is a black Friday, finishing off a black week for the CBC. On Tuesday Canadians were told about budget cuts totalling $140 million.

There were 400 or 500 jobs slashed. Today we get the news of a children's program chopped which is regionally produced in four centres and seen in most parts of the country. This is step by step dismantling of a great Canadian institution. The next thing we know the government will be telling Canadian kids that they cannot watch *Mr. Dress-up*.

Is it the government's objective to preside over the destruction of the CBC? Is that the goal?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I am told by members who attend the respective standing committee that the hon. member made quite a strong case about the fat that occurs in the CBC on Bronson Avenue. He made strong representations. Obviously, his representations have been taken into consideration by the management and they have acted.

Some hon. members: Oh, oh!

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, the Deputy Prime Minister has just attacked the management of the CBC. He evades his own responsibility. It is quite clear what is happening. This government has slashed the CBC budget. The CBC has had no choice but to cut its regional program budget and this is not going to be the end of it. Down the road we are going to see program cuts at the network level. Canadians are not going to stand for this. What we are seeing is the slow death of the CBC, death by strangulation.

I ask the Deputy Prime Minister this. When is the government going to take its responsibilities seriously and provide support and leadership and not just a knife to the CBC?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I want to make it abundantly clear to the hon. members of the House that I am not attacking the CBC management. As a matter of fact we are supportive of the CBC management. We think they are doing a great job.

I would like to ask the hon. member whether he really meant what he said. Is he in favour of the cuts that have occurred on Bronson Avenue? Obviously the management has taken cognizance of his representations and they have acted on the basis of some recommendations that are coming from members of the committee. I think that is the way the parliamentary process should work and I congratulate him.

* * *

GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the effects of the 7 per cent goods and services tax are a slap in the face to those Canadians who built this country.

My question to the Minister of Finance is this. How does this government plan to significantly compensate those seniors, including the 27,000 in my riding, living on fixed incomes, when we know the cost of day-to-day living will increase under this oppressive and regressive goods and services tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I commented on this yesterday and I will comment again. There are a number of items that are not taxed under the goods and services tax which are of direct interest and concern to senior citizens: basic groceries, meals on wheels, meals served in nursing homes, charges for health and dental care, hospital and nursing-home care, prescription drugs, medical devices. No tax will be charged on residential rents, on municipal transit, passenger ferry service, legal aid services and other financial services.

Eighty-four per cent of seniors will receive the benefit of the goods and services tax credit which is a cheque that is paid in advance four times a year to people who are eligible to receive it. As I have said, 84 per cent will receive that credit. The result is that a large proportion of senior citizens will be better off after sales tax reform than before.

The hon. member is shaking her head. These are the conclusions that have been arrived at by people in the Department of Finance. They have certified these numbers and if my colleague, the hon. member, disagrees with those numbers she has the responsibility to state

precisely where those numbers are wrong. Otherwise she should not be leading senior citizens astray with this faulty information.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, many studies, including the Canadian Seniors Network report, disagree. They say seniors living on a tight budget near or below the poverty level will pay still more under this 7 per cent goods and services tax.

An hon. member: Clothing, services, home repairs.

Some hon. members: Oh, oh!

Mr. Speaker: I might ask hon. members to allow the member to put her question.

Ms. Phinney: Mr. Speaker, the clawback makes pensioners pay more. The 7 per cent goods and services tax will make pensioners pay more. When will this government accept its responsibility to seniors by providing them with security and an adequate standard of living and promise them that once the rate is set at 7 per cent, it will remain at 7 per cent; not 7 per cent this year, 9 per cent next year and 11 per cent by 1992?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hear again that the Liberal Party is supportive of continuing to pay seniors who are earning more than $50,000 for a program which we cannot afford. Surely the hon. member realizes the significance of the deficit and the debt problem that we are facing. Many seniors understand the significance of that. Many seniors have stated directly to me that they support our efforts to get the deficit down. That requires as broad a sharing of the burden as is possible.

• (1140)

For senior citizens, we have only asked those who are earning more than $50,000 to participate in sharing that burden. That amounts to 4.3 per cent of seniors to share partially and only 1.8 per cent of seniors will have to pay back, through the tax system, their full old age security payment. That, I think, is a fair approach to dealing with what we believe on this side of the House is a most serious problem and that is the problem of the debt of this country.

FINANCE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my question is for the Minister of Finance.

Yesterday the Supreme Court of Canada unanimously rendered a decision in the Hall case that allows chartered banks to repossess farm machinery, cars and other chattels that are in default without any notice and without any consideration to any other creditor. This means that there are two standards in this country, one for the chartered banks and one for the rest of Canadian lenders.

Will the minister ensure this House that it will introduce changes to the Bank Act by removing this unfair advantage so that the chartered banks are placed on the same level as any other financial institution such as credit unions and trust companies in terms of security and enforcement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hear the representation that the hon. member has made. This is a decision that has been rendered quite recently and, once we have had an opportunity to review that decision, we will be making known our views.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my supplementary will be on a subject that was decided some time ago.

There are thousands of Canadians who have signed promissory notes at a given rate only to find that later the bank had unilaterally increased their interest rate. A number of legal decisions have already been rendered ordering the banks to repay these overcharges, estimated to be between $2 and $3 billion to farmers alone.

Will the government today put a freeze on the destruction of bank records which they are doing to hide the facts and when will it take steps to force the banks to pay back these overcharges?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there has been extensive discussion in past years on this particular issue. I think the hon. member is quite aware of the position that the government has taken. As regards the destruction of records, there are specific rules in the Bank Act. They vary from four to ten years. The hon. member will be able to participate in the discussion of the review of the Bank Act when the Bank

Act is opened. It must be opened every 10 years and that is something we can look at then.

* * *

HOUSING

Mr. David Bjornson (Selkirk): Mr. Speaker, I would like to put a question to the Minister of State for Housing. Prior to coming to the House I was in the construction industry. I still have many friends working in the home renovation industry.

They keep voicing their concerns to me about the implications of GST in the home renovation industry. They have concerns about whether or not these people are going to go to the underground economy and do things themselves. Has your department considered the implications of bringing GST in and what the repercussions will be for the home renovation industry.

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, as you are well aware, in other jurisdictions such as New Zealand where a similar tax to the GST has been introduced, there has not been growth in the number of people who have gone to the underground economy, the cash economy. Rather, it has been the reverse because if one goes on a cash basis one does not receive the benefit of the credits that flow from the GST that has been paid in the past. In that way, it is likely we will see less of an underground economy, particularly in the home renovation industry.

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[*Translation*]

STATUS OF WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Minister responsible for the Status of Women said that the President of the Treasury Board had announced the fairest pay equity plan ever seen in this country.

The Human Rights Commissioner does not agree. The Commissioner severely criticized the President of the Treasury Board for acting unilaterally in deciding to grant women half the compensation to which they were entitled, by depriving them of benefits and denying them two years back pay, while failing to provide for any real equality in rates of pay.

When will the government stop this charade and pay women in the Public Service what has so long been rightfully theirs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is aware that the President of the Treasury Board has announced a $317 million retroactive payment which amounts to an average of some $4,900 per person.

There is an ongoing amount of some $76 million per year which will be paid as recognition of the responsibilities that the government has taken on the question of pay equity. We believe that this is a generous and fair approach. We think that it recognizes the responsibilities that were acknowledged back in 1985 when the union–management committee was established.

I believe what my colleague the President of the Treasury Board has done is a very fair response.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. The Minister of Finance is obviously unaware that the human rights commissioner does not agree with him. He thinks these people are getting half of what they deserve, that equalization payments are not pay equity, that only salary adjustments are pay equity. He also believes they are being deprived of benefits and that this is a plan that comes nowhere near meeting the complaints these people, 70,000 of them, have before the Human Rights Commission and have had since 1983–84. Will this government stop stalling, stop hiding behind technicalities, stop trying to bribe people to give up on their rights and give people the pay they deserve.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I find it hard to understand the attitude that the hon. member is expressing.

When we came into office, we recognized there was a problem that had been outstanding and festering for a number of years under the government of the party that she represents.

In 1985 we established a union–management committee. We have made retroactive payments to 1985. Seventy thousand public servants will benefit from these payments. I understand that the chairman of the Human Rights Commission has been in contact with the President of the Treasury Board and that the President of the Treasury Board will be communicating with him in due

course, after he has had a chance to study his points of view.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board, but in his absence I will direct it to the Deputy Prime Minister. The regulations that arise from legislation are the tools with which the legislation is implemented. As far as I am concerned, a government that passed a bill 20 months ago and is reluctant to table a copy of the regulations in this House is negligent and does not have its priorities straight, and its priorities may even differ from those of most Canadians.

I would like to ask the Minister whether the regulations arising from the Official Languages Act will be published by this government very shortly. We have received notice of the regulations. We do not have the regulations themselves. After waiting for 20 months, considering that it will take another year before we can adopt them in this House, will this tiger ever have any teeth? Will there be any regulations so that we can implement this legislation in a manner that is fair and equitable?

[*English*]

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know that my hon. friend has long had an interest in the Official Languages Act.

The House will know the new Official Languages Act was passed some 18 months ago. In the intervening time the government has been carefully preparing new regulations. We do not suggest that this is something that is easily done. We want the regulations to implement the act. We want them to be done fairly and in the best interest of the public and our employees.

• (1150)

Mr. Jean-Robert Gauthier (Ottawa—Vanier): There are three important areas in the regulations that we are expecting from this government. These deal with the language of service, that is the people of Canada wanting to receive services in their language from this government; the language of work, which gives Canadians the right to work in their language in the Public Service of Canada, and equitable participation which means that Canadians can have access to the Public Service of Canada according to an equitable representation.

In the book called *Federal Regulatory Plan 1990* no mention is made of language of work. It has been dropped from the publication this year. Why is the government dropping at this time regulations promised to Canadians on language of work.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I reject the suggestion that the government is dropping anything. As I said earlier, the Official Languages Act was brought in under our previous administration. We have been working at all levels to try to come up with regulations which will implement the act. There is no suggestion of delay. There has been no suggestion of delay by anyone up to now, until my hon. friend came up with his question. This is something that we are working on. We make no apologies for trying to give the best regulations possible. When we have them ready they will be published.

* * *

UNEMPLOYMENT INSURANCE

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, my question is for the Minister of Employment and Immigration. Canadians are losing jobs at an unprecedented rate these days, particularly in the Atlantic region. The government could do a lot to alleviate the problems these people are having by implementing and passing legislation on the variable entry requirements instead of playing politics on the backs of the unemployed.

The government would have us believe that the changes in Bill C-21, which is being held up elsewhere, are the same as the variable entry requirements. This is no so and the Canadian public ought to realize it. In 40 of the 62 regions the increase is going to be six weeks and in the Atlantic region alone 45,000 people will not qualify for unemployment insurance.

In a statement, one of the major ministers of the region, the Minister for International Trade, said that what the workers in the Atlantic region ought to do is get off their duffs and stop complaining. When is this government going to get off its duff and introduce

variable entrance requirements in this House, preferably before C-21 comes back?

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I thank the member for his question. As he knows, Bill C-21 is in the Senate. It has been there for some time and they are doing very little with it as far as I understand it. The minister is going to appear in the Senate next week so we may see a little movement on their part.

As the member knows, the variable entrance rates are already in the legislation because he travelled on the committee across the country.

There are numerous other programs in Bill C-21 that will help employment in the Atlantic region and other parts of Canada, particularly for workers over 65 and those who are in industries that are having some difficulty.

We are looking forward to the passage of the bill by the Senate. Perhaps if the member has any friends in the Senate he might like to encourage them to pass the legislation.

Mr. Ron Fisher (Saskatoon—Dundurn): Mr. Speaker, I do not suppose I have any friends in the Senate but I have a lot of friends in the working communities. And they are all employed too.

Some hon. members: Hear, hear!

Mr. Fisher: I travelled with that committee and I know what the entrance requirements are in C-21. What I said before is absolutely true, that it is a lot worse than the variable entrance requirements would otherwise be.

In the absence of the Prime Minister, I want to ask the Deputy Prime Minister when he is going to get this government to pass this legislation and stop holding those unemployed workers up for ransom?

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we have passed the legislation. Were you asleep? Where were you? We passed the legislation and the variable entry requirements for people in the Atlantic provinces are not worse, they are better. They would still only have to work for 10 weeks in order to qualify. The member should go back and re-read the minutes and he would know what he is talking about.

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TRANSPORTATION

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. VIA Rail has a Canrailpass which is similar to the Eurail pass and allows Canadians to see Canada for as little as possible.

I have a copy of a notice which was sent to all VIA reservation desks that, effective March 31 Canrailpasses are only available for sale to permanent residents of countries other than Canada. Some Canadians can purchase passes if they are members of a club, such as the Ambassador Club, but they can only use it for off-peak travel, with limited quantities available. Why are Canadians second class citizens on their rail service?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my understanding is that VIA Rail is not the only company in the world which operates in this way.

In any case, the internal operations of the corporation are not, on a daily basis, determined by the Minister of Transport. I think my friend should address his question to the board or the management of VIA Rail which would be able to give the answer that the hon. member requests.

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the same minister. At this time in our country's history when Canadians see regions of Canada pitted one against the other, leading to distrust by some of Canadians of other Canadians and when we are concerned about a weakening confederation, why would this government permit one of the mechanisms which allows Canadians to see Canada, to meet other Canadians and to explore our great country to be cancelled? Why is this government allowing VIA rail to cancel the Canrailpass?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, to repeat what I said, I think this type of system is also used in Europe and, I suppose, for the same reason that it is used here in Canada. I will say that the operation of the company and the way its policies are arrived at is determined by the management of VIA Rail. Therefore, the question should be addressed to the management of VIA Rail.

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the Minister of Fisheries I want to put a question to my bosom pal for St. John's East, the parliamentary secretary and future minister. He will know that the Harris report—

Some hon. members: Oh, oh!

Mr. Simmons: It is all right. The parliamentary secretary will—

Mr. Speaker: Perhaps the hon. member could put the question to whoever is supposed to answer?

Mr. Simmons: The parliamentary secretary will realize that about two weeks ago the finishing touches were put on the Harris report in St. John's. Could he indicate when he expects his minister will receive the report and when it will be made public? Does he know whether it will deal with the economic and social price which is being paid as a result of the northern cod situation? Finally, does he anticipate that there will be further quota cuts recommended by that report?

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would say everyone in Canada not just in Atlantic Canada, are anxiously awaiting the report of Dr. Harris with the analysis that he and the people who have been working with him have done in addressing the problems which face particularly the science, the quotas and the allocation of fish. It is not known exactly when the report will be provided to the minister. It is my understanding that his committee is still meeting to discuss the report in order to finalize it. I can assure the hon. member and the House that when the report has been received and the minister has had a chance to look at it, obviously he will make it available in this House, in Atlantic Canada and across the country. I think at that time he will be anxious to see how Canadians view the report and ask for suggestions on how it can be implemented to improve the Atlantic fishery and address the problems, not only in Newfoundland but also in Nova Scotia.

• (1200)

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the Prime Minister, I will direct my supplementary to the Deputy Prime Minister.

Now that the Prime Minister has grudgingly come to the conclusion that there is a crisis in the Atlantic fishery, can the Deputy Prime Minister indicate whether it is the Prime Minister's intention to visit the Atlantic region, particularly Newfoundland, in the near future in response to a number of invitations to do so in order to take a first-hand look at the crisis and get an idea first hand of how deep that crisis is.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the Prime Minister did not come to the conclusion that there was a crisis in the Atlantic fishery grudgingly. He acknowledged that. He said there was not a crisis in Atlantic Canada. He said there was a crisis in Atlantic fisheries. Premiers have made the same statement.

I want to assure the hon. member that the Prime Minister has taken a personal interest in this issue, as have cabinet ministers. This is very, very important. We are working on several options that will be available which I am sure will be very satisfactory and acceptable to the hon. member. I expect that a fairly comprehensive program will be announced in due course.

The Prime Minister has visited the Atlantic region on a number of occasions and has been warmly received. I am sure he will do so again and that he will be warmly received when he returns.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice, Attorney general of Canada and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour of tabling, in both official languages, the government's response to serveral petitions.

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

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved for leave to introduce Bill C-283, an Act to amend the Criminal Code (control of firearms).

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. members: Agreed.

Mr. Allmand: Mr. Speaker, the purpose of this bill is to strengthen our gun control laws and to make them more effective in screening out applicants for the firearms acquisition certificate who are dangerous, unstable or irresponsible.

The bill would implement a two week waiting period for those who apply for the firearms acquisition certificate. It would require the signature of two other citizens who would attest to the responsibility of the applicant. It would also require the firearms acquisition certificate for the purchase of ammunition. It would require that the permit be valid for only two years rather than five years so that on renewal the police would have an opportunity to reinvestigate the applicant for the firearms acquisition certificate.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a petition that has been certified correct under the Standing Orders. This petition relates to the goods and services tax. It has been signed by over 400 Canadians and others who express their concern with the government's proposal for the goods and services tax. These petitioners call upon the House of Commons to withdraw this tax and to institute a program of fair taxation.

I should point out, Mr. Speaker, that this petition has been signed by people in my riding from Thompson, Easterville, Lynn Lake, The Pas, Flin Flon, Snow Lake, Churchill, Ilford, Bissett, Cranberry Portage, Poplar River and Manigotagan.

In addition, other Canadians from Surrey, B.C., St. Eleanor's, P.E.I., Southport, P.E.I., Bathurst, New Brunswick, Shediac, New Brunswick, Campbellton, New Brunswick, Moncton, New Brunswick, Saint John, New Brunswick, Halifax, Nova Scotia, Greenwood, Nova Scotia, Toronto, Ontario, Oshawa, Ontario, Edmonton, Alberta, Charlottetown, P.E.I.

In addition, people from Florida, California, Argentina and Australia have signed this petition against the goods and services tax, proving that it is unpopular throughout the whole world.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition certified under Article 36 of our Standing Orders from 1,160 Canadians who call on the government to reject the current proposal for a goods and services tax, to reform the taxation system so that there is an effective minimum tax on the wealthy individuals in corporations and cause the government to cease with the proposal which will shift the tax burden onto ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition signed by a number of Canadians who object to the federal government's proposed goods and services tax or GST, which should really stand for the grief and suffering tax.

They urge the government to immediately withdraw this ridiculous proposal and replace it with meaningful and fair tax reform.

HUMAN RIGHTS ACT

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I have the duty to submit a petition signed by a number of residents of Regina and several other communities in Saskatchewan in which they deplore the fact that the government accepted the recommendation of the Standing Committee on Justice and Legal Affairs that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

Therefore, the petitioners pray and call upon Parliament and the government to bring in such an amendment to the Human Rights Act without any further delay.

GOODS AND SERVICES TAX

Mr. Benjamin: Madam Speaker, I have two other petitions in which, like hundreds of thousands of other Canadians, these Canadians from a number of locations in Ontario humbly pray that the government cease and desist from its proposal to implement a goods and services tax and they request Parliament to so instruct and call upon the government to no longer try to pass such legislation.

Mr. David Bjornson (Selkirk): Madam Speaker, I have the honour to present a petition on behalf of the minister from Lisgar—Marquette, signed by 42 petitioners who call upon Parliament to consider construction in skating and educational services and, therefore, exempt skating educational expenses from the proposed goods and services tax.

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Madam Speaker, it is a pleasure for me to introduce a petition entitled "Help Save the Rouge". Petitioners are calling on the Government of Canada to work with the Government of Ontario to establish the Rouge Valley, 10,000 acres of beautiful geography of Canada. It is a wilderness state. There is endangered wildlife there to be saved.

I was very pleased to hear the Deputy Prime Minister in Question Period today mention the Rouge Valley as a park and the commitment by the federal government of putting up $10 million to save the Rouge Valley.

It is my pleasure to present to the House today the names of the petitioners who wish to support this very important endeavour.

LOW LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, it is my honour and privilege under Standing Order 36 to introduce a petition from a number of residents of Toronto who urge the government to join with the Assembly of First Nations and the Innu of Labrador in halting all war training in that area, particularly the low level flight training, and to cease to ask for a NATO base there, but to use the money instead for a development both of Canada's First Nations and of all Canadians.

• (1210)

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I have a petition from a number of residents of London, Ontario, Denfield, Alberta, and Thorold, Ontario, urging the government to cease reducing and eliminating VIA Rail services, to modernize existing equipment and build a high-speed passenger train between Montreal and Windsor.

GOODS AND SERVICES TAX

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 36 to present a petition which has been certified correct by the Clerk of Petitions on the subject of the grief and suffering tax being foisted on Canada by the present government.

The petitioners, some 140 of them from throughout the province of Ontario, with particular emphasis on the community of Hawkesbury, a number of lakehead communities and the Kitchener—Waterloo area, condemn the government for bringing in a proposal which will shift the tax burden onto ordinary Canadians through a regressive consumption tax. They ask instead that the government, if it is seriously concerned with the deficit situation, conduct a vigorous and real system of progressive tax reform for all Canadians.

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, it is my privilege to present a petition duly authorized under Standing Order 36 from residents of Vancouver, Delta, Iroquois Falls, Maple Ridge, Abbotsford, to name a few, who point out that the goods and services tax which is being introduced is an extremely unfair one because it taxes people, not on their ability to pay, but rather on their consumption. They point out that the government has not addressed the unfairness in the present tax system in that it is not applying it the way it ought to be and the way it is intended. They decry the fact that reading, haircuts, coffins, diapers, home heating fuel will be taxed.

I could also point out a few things that will not be taxed, but I will not go into that.

They ask that Parliament reject the current proposal for a goods and services tax and enforce the present tax system fairly.

QUESTIONS ON THE ORDER PAPER

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, I ask that all questions on the Order Paper be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some hon. members: Agreed.

* * *

EXCISE TAX ACT

POINT OF ORDER—SPEAKER'S RULING

The Acting Speaker (Mrs. Champagne): Last Wednesday, January 31, the hon. member for Okanagan—Similkameen—Merritt concluded his remarks in debate on second reading of Bill C-62, by moving that the House do now adjourn. That motion was subsequently defeated on a recorded division.

When debate was resumed on the bill, the hon. member for Edmonton East rose on a point of order to suggest that the House was still entitled to the opportunity to proceed to the 10 minute question and comment period on the hon. member's speech.

[*Translation*]

The hon. member for Churchill and the hon. member for Esquimalt—Juan de Fuca have argued that the right to proceed with the 10-minute questions and comments period is the prerogative of the House, not that of the member who has just ended his remarks.

After listening to arguments the Chair deferred ruling on the point of order to check precedents and past practices and then recognized the hon. member for Calgary West.

The Chair indicated as well that the House would be allowed the 10-minute period if the point of order raised by the hon. member for Edmonton East were deemed to be legitimate.

[*English*]

The Chair is now prepared to offer a ruling. According to Standing Order 74(2), following the speeches of members speaking 20 minutes on the second reading of a bill, a period of 10 minutes, if required, is provided for questions and comments. The rule does not mention any qualification which would prevent the House from claiming this 10 minutes.

By practice, however, it has been established that if proceedings are interrupted before the 10 minute period is reached or exhausted and the member is not present in the House when debate is resumed, the Chair will recognize the next member seeking the floor. It is also true that there have been occasions when members moved superseding motions that were negatived only to have the House carry on to another member who was recognized without a claim being made for the 10 minute question and comment period.

On the other hand the House has frequently claimed its right to the 10 minute period after members have moved amendments to the motion for second reading or motions to extend the sitting in order to prolong the debate and the claim has not been denied.

[*Translation*]

However our research uncovered the fact that during second reading debate on a bill on March 14 and 15, 1985, the hon. member for Vancouver—Kingsway, now Member for Port Moody—Coquitlam, moved the adjournment of the House. The motion was defeated in the ensuing vote. When debate resumed the following day the hon. member asked for a 10-minute questions and comments period. Speaker Bosley ruled that the fact that the hon. member had concluded his remarks by moving a dilatory motion did not prevent the House from proceeding with the 10-minute period.

In the case now under consideration, which is practically a repeat performance of the precedent I have just referred to, the Chair must keep previous practice in mind and allow a 10-minute period when second reading debate on Bill C-62 resumes, if the hon. member for Okanagan—Similkameen—Merritt is in the House to respond.

[*English*]

The Chair would like to thank all members for their understanding and for giving the Chair the necessary time to do some research and some reflection on this very technical point before rendering its decision.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—MULTICULTURALISM

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

> That this House condemns the intolerance and prejudice in Canadian society that damages the fabric of the nation and urges the government and all members of Parliament to play a role in strengthening understanding and respect among Canadians.

Mr. Dan Heap (Trinity—Spadina): Madam Speaker, I am very pleased to have an opportunity to speak on this motion today. It is a good motion and I commend the member for York Centre for having introduced it. The motion is:

> That this House condemns the intolerance and prejudice in Canadian society that damages the fabric of the nation and urges the government and all members of Parliament to play a role in strengthening understanding and respect among Canadians.

I wish to deal only with certain aspects of this subject as it is a very large one. I want to concentrate particularly on the problem of certain long term and unresolved racisms in Canada. I would like to deal with, in particular, the bias against blacks and indigenous people.

My point will be that the basic problem is organizational rather than individual, although there may be complaints about an employer making improper advances toward a female employee, and those may be justified. There have been complaints about the shooting of certain people. In both cases we find that it is too often a person of one of the visible minority races.

The problem, in my opinion, does not arise from an individual quirk. It arises mainly from the low economic and social status of those racial minorities and in particular the low economic and social status of our indigenous peoples and of our black peoples. These things have historical roots and they cannot be got rid of solely by preachments and declarations of how kind and just and honest Canada and Canadians really are.

We have to take account of what we have done in the past and figure out what we need to do to change it. With regard to black people, I refer to a study from our parliamentary library called *Canada's Treatment of Black Immigrants* by Michael O'Neill. He points out among other things that early in this century as the prairies were opening up, there was quite an increase of black immigration from the United States. There was hostility to this among the white settlers.

• (1220)

In fact, in 1911, the government of Sir Wilfrid Laurier prepared, but never proclaimed, an order in council which would have effectively prohibited black immigration. Instead, and I quote:

> Unless the overt course of action was adopted, agents were sent into the American south to discourage black immigrants. Medical, character and financial examinations were rigorously applied at border points with rewards for officials who disqualified blacks. American railways were influenced to deny blacks passage to Canada. Continued under the Conservative government after the 1911 election, these efforts eventually succeeded in stopping black immigration into Canada by 1912.

Those who are familiar with complaints in our immigration system know that these practices did not stop in 1912 merely because for a time they stopped some black immigration.

I refer to another study on the legality of slave marriages because an immigration question often involves a question of family relationship and identifying a family relationship. I personally heard, and I know of others who have heard of comments by immigration officials who seemed to believe that because people are of a certain race, they have a standard of morality that is lower than the general Canadian standard of morality in marital matters.

Therefore, I would point out that in the United States, and also, of course, in the British Empire up until 1834, whites were allowed to own black slaves of both sexes. In fact, marriage was legally prohibited to black slaves because they were slaves. In all the southern states before the Civil War, they were not allowed to have the right to stay together if the owner chose to sell the father one way, the mother another way, and the child another way. They had no civil rights, and therefore no rights as a family. Husband and wife had no rights as husband and wife.

This has coloured the perception that white people have of black people, for example from the West Indies. It has, unfortunately, sometimes biased decisions about immigration of a family member such as a spouse or a child.

These things are easily forgotten by most white Canadians. They are not so easily forgotten by black Canadians. The latter, of course, is not limited to blacks. We had reference already to the racist lapel pins. One minister of the government expressed strong disapproval of them. However, he did not say, and since he did not come back for questioning I could not ask him, whether he had discussed this with his colleague, the Minister of Revenue Canada. I quote from the January 22 *Financial Post*.

> Canada Customs has ruled a controversial lapel pin imported from Taiwan does not constitute hate propaganda and will be allowed to enter the country.

This government is condoning racism to that extent by allowing Taiwan, which we do not recognize as a government, to send racist lapel pins to Canada.

I quote from a letter from Mr. George Elliott Clarke of Ottawa to the minister:

> Dear Mr. Minister:
>
> Being a seventh generation Afro Nova Scotian, whose ancestors escaped the slavery and bigotry of the post-bellum American south, I am outraged that your officials have apparently decided to permit the importation from Taiwan of a racist lapel pin which depicts a Sikh, an oriental and an African, all of whom, dressed in stereotypical costume surround a man of European descent wearing a business suit, and above whom appears the slogan, "Who is the minority in Canada?". This pin, though cleared by your officials is derogatory, offensive and utterly destructive of the dream of multiracial, multicultural and cosmopolitan Canada.

I have a quote also from a letter addressed to the same minister. I quote:

> Dear Mr. Jelinek:
>
> As a Canadian of black heritage, I am appalled that you as a minister of the Crown would condone the importation of these racist lapel pins now being made in Taiwan and marketed in Alberta, Manitoba and Saskatchewan. It should come as no surprise to you or your colleagues if they are eventually marketed in all provinces across Canada.

She points out further:

> The salient observation of the Donald Marshall report was that racism in the justice system played a major role in convicting this young Micmac Indian.

This is from Mrs. Anne John-Baptiste of Ottawa.

When immigrants come from the non-white countries, which for the most part the white countries still oppress economically, we have these prejudices against the immigrants who arrive from those countries and the oppression continues, for example, in the decision of the government to cut the overseas grants. I quote from an article in *La Presse* of February 1 referring to Stephen Lewis:

> Lewis said Canada could be a bridge between developing countries and the developed world. He said only Canada and the U.S. among developed countries have reduced foreign aid.

The kind of prejudice in Canada that was reflected in the study by the Urban Alliance Against Racism showed that in Toronto statistically a white person had three times as many chances of getting a job as a black person did. That kind of prejudice is not to be found only in the minds of certain employers or other individuals, it is found in the structures and organization of our internal relationships in Canada and of our external relationships. In Canada we have the case as cited in *The Globe and Mail* of January 11 under the heading "Ojibway civil servant subjected to racial insults, federal investigator says". The article reads:

> —Mary Pitawanakwat, a social development officer—

Ms Pitawanakwat is a social development officer for the multiculturalism branch of the Department of Secretary of State.

> —Ms Pitawanakwat complained to the human rights commission that she had been racially and sexually harassed. After she was dismissed she obtained an order from the Federal Court of Appeal instructing the human rights commission to investigate her case.

The article goes on:

> One employee heard an official call the Ojibway woman a "goddamn Indian," the investigator said.
>
> Another bureaucrat joked about being "scalped" by natives, and others made derogatory remarks about the laziness of natives.
>
> There is evidence that Ms Pitawanakwat was sexually harassed and subjected to special monitoring by the Regina office, the investigator said. She was also asked as part of her job to investigate allegations of drug offences within a native group—a request that was "unheard of and improper."

It might seem only that we have some bad apples in the management of that branch of the Ministry of State, of which the minister is so proud, as he told us this morning. In fact, that sort of attitude arises very naturally or easily from the fact that Canada continues after 300 years of white settlement here to oppress and to be

unjust in many organized ways to the indigenous people of Canada.

We have the example of Nitassinan where the Innu people who have lived there 9,000 years are being strafed by low level flight training on the excuse that we need to do this to protect Canada against the Soviet Union. In fact, nobody believes there is any such need any more. Of course, it is good for business. The government has explained that it is worth billions of dollars if we can get a NATO base in Labrador. Therefore, the training program will go ahead. The government despises the Innu people who are objecting to our taking of their ancestral lands.

On a smaller scale, the same thing is being done with the Lubicon in Alberta where the government has quite illegally undertaken to split the Lubicon band so as to weaken their insistence on having the land claim settled that was promised to them decades ago. In Ontario, the provincial government in the same way ignores the rights of the native people in Temagami.

• (1230)

The point is that we have a structure of economic oppression and social abuse of the indigenous people in Canada which has become institutionalized in our habits and sometimes in our legal practices that result in, for example, a very large minority far out of proportion to the population inhabiting our jails.

It is not sufficient simply to preach against racism and to investigate individual cases through the Human Rights Commission or individual employer's practices. Those are useful things to do but they are not enough.

I do commend as one example a report that was done for Dalhousie University entitled, "Breaking Barriers: Report of the Task Force on Access for Black and Native People", chaired by Mr. A. Wayne MacKay.

This report, after showing how black people and Micmac Indians are hindered in having fair and full access to the university, makes certain recommendations. In general, the report recommends that the university must adopt four components of policy; (a) encouraging and assisting indigenous black and Micmac people to enter and complete the university's undergraduate degree programs; (b) restructuring and revitalizing the transition year program; (c) promoting black and Micmac participation in professional programs and (d) developing a university policy on educational equity, race relations and affirmative action in education which compliments Dalhousie's employment equity through affirmative action policy.

The report does not just state generalities. It states that the programs should be co-ordinated by the Registrar's office—they lay the responsibility there—as part of the university's larger recruitment effort and should comprise features such as, and I quote: "The involvement of black and Micmac students and alumni in recruitment efforts, parents nights in black and Micmac communities—"—that would be to explain this program—"—invitations to campus functions, such as open house and scholarships to attend many university and summer orientation programs".

The report goes further. It recommends that the university establish a number of renewable scholarships for blacks and Micmacs, that those who are not able to maintain grades should have the option of completing their programs with loans, that the awards office ensure that black and Micmac students in financial difficulty have access to bursary funds. It also recommends that the vice president of student services seeks to arrange summer and part-time employment for black and Micmac students, seeks to arrange the appointment of a black counsellor to provide advice and support to black students on campus, and seeks to establish a resource centre for black Canadian students on campus comprising adequate space to meet, study and house the students' counsellor. It recommends that the vice-president of finance and administration provide adequate university facilities and services at no cost to the office of the native education counsellor, thereby reflecting the value of that officer's contribution to the university.

If those recommendations are adopted, they will have some effect in reducing those historic organized institutional conditions in the province of Nova Scotia and in our country which encourage racism. This is the kind of action we have to study. It is far more than one government could do, even the federal government. But it must be done at whatever level of government we find ourselves, to search out the ways of providing the material means by which black people or Canadian

natives, such as the Micmac people and, of course, the other visible minorities who have immigrated to our country as well, by which these people may be assured that they have full entry into education and other opportunities in Canada. The poverty that marks many of the black communities in Canada and most of the indigenous peoples communities in Canada can and must be eliminated through fair and honest treatment of the natural resources in the areas they inhabit.

Mrs. Browes: Madam Speaker, I want to compliment the member on his comments and his commitment. I know of his work in the Toronto area for and on behalf of his party to eliminate discrimination in Canada. He has brought up a number of items concerning research.

Yesterday, the Secretary of State and the Minister of State for Multiculturalism and Citizenship tabled in the House of Commons the legislation for the establishment of a race relations foundation. I would like to ask the member if, with his commitment to the elimination of discrimination, we might be able to get the early commitment on behalf of his party to have the legislation to establish this foundation pass very quickly so we may get on with doing the work that he has suggested and the research that needs to be done.

Mr. Heap: Madam Speaker, I thank the hon. member for her question. Since I have not had opportunity yet to read the legislation, I cannot substantially comment on its value. I was disappointed in the bill establishing the multiculturalism department because it lacked teeth. It made almost no reference to racism as distinct from ethnic conflict. It did not define the duties of the department or the minister and therefore it did not give a citizen the proper means of claiming upon his or her rights under that legislation. The legislation left the scope of the department and the minister so vague that if he chose to do something, or the department chose to do something, that might be fine, but the person in a minority position was not able to point to a statutory right or a statutory obligation to serve that would be given in a person who had that kind of need as a minority.

I would be very interested to see the detail of the legislation that was tabled yesterday. I can see the hon. member wishes to say more on the subject and I will listen attentively.

Mrs. Browes: Madam Speaker, I would be very pleased to send the member a copy and an outline of the bill. Without going into detail on this legislation today because we are debating another motion, it is primarily to carry out research activities, to facilitate consultation, and to publish and disseminate relevant information concerning it. I think this is going to be a very good foundation that will be able to get information, feed in information, and then allow volunteer organizations, police commissions and such to get the kind of information that we need from an up to date national collection of data. It will be involved with the developing and training approaches in materials and effective policies and approaches for the elimination of racism and racial discrimination.

I will be very pleased to send this to the member and I look forward to discussing this with him in the House in the very near future.

Mr. Heap: Madam Speaker, I think research can be very useful. I would be interested to learn the details and scope of the plan. There has been research from time to time. For example, in our library there is a book in typescript called *I*Racial Discrimination in Canada, The Black Experience* by James W. St. George Walker. I understand, and it is curious, that this book was never published in the usual sense. It exists in perhaps several hundred copies in typescript. It cannot be found in our public libraries and it has never been printed in the usual way in an ordinary print format. If it is limited to about 400 copies then it has not been much use to the black or white people of Canada.

• (1240)

I hope that the institution the minister is proposing will be an open institution and that research done, and especially research that should be done by black people, by Canadian aboriginal people and by other visible minorities, will be identified, advertised and made readily available throughout public libraries and other systems of information rather than neglected as this rather good study found itself.

Mr. Fisher: Madam Speaker, I would like to commend the Hon. Member for Spadina for an excellent speech. He pointed out a lot of things that are good in our nation and some things which are certainly in need of improvement. I know that he has done a lot of work in the field of immigration and I think in the context of the motion

we are debating today immigration certainly has to be one of the aspects of it.

I was wondering if the hon. member, in light of his experience in the field, could expand on some of the things he feels this government and this nation should be doing in the realm of immigration to ameliorate some of the problems we have as far as racial tension and inequality is concerned.

Mr. Heap: Madam Speaker, I thank the hon. member for his question. Since my time is short, I want to mention briefly a couple of things. At present, our immigration department has the responsibility for determining whether an applicant for landed status in Canada is acceptable under the rules. One of the rules is that if a Canadian is married to a non-Canadian the spouse has a right to be sponsored by the Canadian spouse. That is qualified by the question of whether the marriage is a bona fide marriage or a marriage of convenience for immigration purposes only.

I have been distressed to find that this rule has been misused in many cases, for whatever reason, by the immigration officials concerned in order to delay, delay and delay the entry of the non-Canadian spouse into Canada. I have heard of it happening to spouses from countries of Asia and the West Indies. I have never heard of it happening from Britain, France or from western Europe. I have heard of it happening from South America but not from white countries.

So I have to believe that while there are cultural differences in marriage customs and in expectations of permanency of marriage that in those cases racial prejudice overrode the obligation of our officials. This is something that has to be examined within our department.

The other matter is the single biggest injustice that Canada has committed toward non-white peoples by the denial of land claims of the aboriginal peoples of Canada. I do not see how we can honestly look in the eyes of peoples from other non-white races when we are refusing legitimate justice to our own Canadian aboriginal peoples. That lapel pin about which we spoke reflects a guilty fear that our sense of superiority is based on the fact that we had guns and those people did not, or we had more guns than those people did and, therefore, we are better than they are. We are afraid that some day they might turn the tables and, therefore, this fear of people of a different skin colour reflects our guilty recollection of our own military conquest of them. That has to be acknowledged before we can have a clear policy either toward our own aboriginal peoples or toward non-white immigrants.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Madam Speaker, I am pleased to participate in this debate today and I will be sharing my time with one of my colleagues.

Each of us knows there is a gulf between the aspirations and reality out there. That gulf is widened by prejudice and discrimination. In the form of racism they shatter the lives of individuals and destroy nations.

Racism is an uncomfortable word for us. It is an uncomfortable topic. But it is a reality that we have come grudgingly to acknowledge here in Canada and one that we must face up to.

What does racism do to us? UNESCO, the United Nations Educational, Scientific and Cultural Organization, put it in a nutshell in its 1967 statement: "Racism stultifies the development of those who suffer from it, perverts those who apply it, divides nations within themselves, aggravates international conflict and threatens world peace". What does racism cost a society such as ours? It costs us young people who turn to the illusory opportunity of drugs and crime because they cannot see or find other opportunities or expectations for their future. We pay the cost of alcoholism, in lost productivity, in family violence, in the trivialization of relationships and the devaluation of human life, others and our own, born of the endless and ultimate overwhelming frustration of alienation, of never belonging.

The cost is in increased welfare and social services, in increased health care and mental health care, in the resources which must be spent on law enforcement and incarceration instead of universities, libraries and literacy programs. But, most of all, the cost of racism is in people who no longer know how to talk to one another or even begin to work with one another to solve problems that they share in common. It becomes the destruction of that trust and respect for one another which, in the final analysis, is what binds and holds us all together as a community.

We have to face up to what the researchers and the evidence tells us. It tells us that many Canadians actually believe in the theory of racial superiority, that one Canadian in seven carries out acts of open discrimination. Imbalance and discrimination does exist. Prejudice, discrimination and the virtual exclusion of visible minorities and native Canadians have been the standard operating procedure in much of the Canadian life for just about as long as anyone can remember.

How can we accept that blacks are turned down three times as often when looking for rental accommodation? Or that a black applicant is offered only one job for every three offered to a white? Or that a Micmac can spend years in prison for a crime that he did not commit? Or that products with demeaning stereotypical representations of minority Canadians can find ready markets? Is there any justification? Well, of course, there is not and we all know it. In order to eliminate racism in Canada, we have to comprehend how and why it works the way it does, how it perpetuates itself generation after generation. We must make our way beneath the paint on the surface, as British writer Paul Gilroy put it. We must understand this frightening ultimate perversion that makes the victim himself responsible for his fate.

• (1250)

The stereotyping that we see in broadcasting and advertising, the jokes told in locker rooms all contribute to making possible the act of discrimination itself and they help justify it afterwards.

But a great myth is the idea that racism is somehow part and parcel of the human condition, something we have to accept whether we like it or not because we cannot change it. Racism is not part of the human spirit. We can change racism. We do not have to live with it in our society or in any society. As Canadians we cannot allow racism to corrupt our own principles. We must uphold the values of equality and social justice. They are centre to who we are as Canadians. To cure this cancer there must be firm, clear and determined leadership.

In this proclamation of the United Nations Second Decade for Action to Combat Racism and Racial Discrimination, the Prime Minister expressed the will of this government when he called on us all, and I quote: "To work together toward the day when racism and racial discrimination become history and when every Canadian can participate fully and equally in the life of our country".

We have put into place structures and mechanisms to take up this challenge. This government introduced the Employment Equity Act. Then in July, 1988, the Canadian Multiculturalism Act was unanimously adopted by both Houses. This provided a legislative base for new directions for multiculturalism programs featuring a major new race relations and cross-cultural understanding program. Through these programs Multiculturalism and Citizenship Canada is forging strong partnerships in all sectors of society; business, labour, professional groups, municipalities and community-based volunteer organizations and to take action to eliminate racism and racial discrimination in Canada. These partnerships are active—and I want to give you several examples—building awareness through public education, changing the policies and practices of our own institutions, finding out more about racism and racial discrimination and how to fight it with the foundation that we are establishing, working to set the example in federal institutions and agencies and working together with other levels of government.

Yesterday, the Secretary of State and Minister of State for Multiculturalism and Citizenship tabled a bill in the House to establish the race relations foundation. We look forward to early passage of this bill in order to get this foundation going. The new department of multiculturalism and citizenship to be established by Bill C-18 will be another permanent expression of the government's commitment to fighting tolerance and prejudice and another important resource in this battle.

March 21 is International Day designated for the elimination of racial discrimination. It will be the focus for a major public education campaign again this year. Events are being organized in communities across the country, and Canadians in all parts of the country will have an opportunity to get involved personally. I encourage everyone to take part. This is an occasion for each of us to affirm our personal commitment to equality, to our fellow Canadians and to a stronger Canada in the days and years ahead. Only if we stand up, each in our own way, for the values that we share as Canadians can we stand with pride and look with confidence to the future.

Mr. Skelly (Comox–Alberni): Madam Speaker, just a short question for the speak who just spoke.

One of the problems that we have experienced in Canada is actually institutionalized racism, racism that seems to have the sponsorship of the government.

The concern that I have had over the past little while is the number of petitions and letters I have received, not just from my constituents, but from constituents across Canada with respect to opening the Royal Canadian Mounted Police to members of the Sikh religion and the fact that devout Sikhs cannot serve in the RCMP without wearing the turban and other symbols of their religion. It means that they are barred from serving in the national police force of Canada.

I am wondering what the ministry of the Secretary of State has done in order to make it possible to open the RCMP to devout Sikhs by allowing changes in the uniform allowing Sikhs to wear turbans. There is a necessity for this change to take place. It has been recommended by the senior officers of the RCMP and it is also a necessity to provide adequate policing within the Sikh community itself in Canada. I am wondering what has been done in that respect. I know there is a long delay with the Solicitor General in making a decision. Just what has been in that respect?

Mrs. Browes: Madam Speaker, I think the members of the House appreciated the opportunity provided by the Speaker yesterday to meet with members of the Sikh community. We spent about an hour with them. It was very enlightening to all of us and I know the member who just spoke was also at that session.

Members of the Sikh community met yesterday with the Solicitor General. They were very satisfied with the meeting and I understand the Solicitor General told the community at that time that he would be making an early decision on the recommendation from the Commissioner of the RCMP concerning the wearing of turbans. I believe the Solicitor General recognized that the decision has taken some time but he has been consulting with a number of groups across the country.

In relation to the pins and buttons referred to by previous speakers, I want to draw to the attention of members the pin that I saw recently. I hope to get one. Around the edge it shows people of visible minorities holding hands. Around the edge of the pin it says, "Canadians working together". I think that is the message that we, as members of Parliament, want to send out to the people of Canada, that we have people of all visible minorities, every person making up this great wonderful country of Canada holding hands and working together.

Mr. MacDonald (Dartmouth): Madam Speaker, I listened with a great deal of understanding and pride in what I am hearing in the House today as hon. members get up and speak to this motion.

The hon. member who has just spoken spoke about some new initiatives that the government is undertaking to try to bring about a greater awareness of minority groups, of the differences that we have as Canadians and to try to bring about a better understanding from all Canadians.

There are certain pieces of legislation that are in effect such as the employment equity legislation. Rather than building new structures, does she not agree that perhaps we should go and look at the existing structures, such as the employment equity legislation? It is a very progressive piece of legislation. But it has no compliance mechanism; it has no teeth. It sets about almost a panacea of what we would all like to see. But it is very weak in the compliance section. I would like to get the hon. member's comments on that to see whether or not she believes there are things we can do as parliamentarians in a non–partisan fashion on both sides of this House to ensure that the legislation in effect is as effective as possible.

• (1300)

Mrs. Browes: I am really pleased the hon. member asked that question because it is a very progressive piece of legislation. I had an opportunity to sit on that legislative committee when the bill was being discussed.

When we were discussing the legislation, the importance that we put on it was that we wanted results. All parties wanted results. What we wanted was to give the companies which were contracting with the federal government an opportunity to put those affirmative actions of visible minorities, the disabled, within their own structure. We wanted to have that data base of one, two and three years.

We have the second report. The first report was the benchmark, and everything is going to flow from the benchmark report. So it is important that we look at the

subsequent reports in order that we do have results out of the employment legislation.

Mr. David Bjornson (Selkirk): Madam Speaker, the issue before us relates to the attitudes and acts of prejudice, discrimination and intolerance in our society.

As representatives of the various constituencies across this country, I expect all of us in this House have from time to time heard the claims of the disadvantaged members and groups in our communities. Over the years, several broad-ranging studies by committees of the House and the Senate have documented the phenomenon of intolerance.

"Obstacles", the report of the Special Committee on the Disabled and the Handicapped evidences the difficulties of the disabled people. "Equality Now", the report of the Special Committee on Visible Minorities in Canadian society speaks to the problem of racism, and "Equality For All", the report of the parliamentary committee on equality dealt with the equality issues in federal laws.

We can also find many clear and objective studies in the provinces. McAlpine reported on the activities of the Ku Klux Klan in British Columbia, for example, and more recently, there was the report of the Marshall inquiry in Nova Scotia. We cannot close our eyes to the fact that prejudice and intolerance remain a fact of life for many Canadians.

Happily, I think that the overt conscious acts of discrimination based on ignorance and fear, hatred and intolerance are now socially disparaged. That direct form of discrimination and prejudice is widely regarded as the work of fringe elements in our communities. The general reaction to racists in the hate propaganda cases that were recently before the Supreme Court was one of some surprise and mild shock that such violent, anti-Semitic and other racist propaganda, would still be the stuff of the 1990s.

The fact that the Keegstra case had to go to court substantiates the point that the poison still flows, that it can contaminate the equal, multicultural society that our Charter enshrines, and that it has a propensity to promote attitudes that can lead to intercommunal strife and violence.

We have some tools to respond to the fringes when their intolerances become intolerable. We have some controls to deal with the extremes such as the Criminal Code or the provisions of the Human Rights Act across the country. The law exists to deter and repress the most extreme cases of prejudice and an issue for the future, once the court has ruled on the Keegstra case, may be the adequacy of our laws.

What is more insidious to me is the level of indirect discrimination that is implicit in the results of the reports of the Employment Equity Act, or the figures of complaint in the annual reports of the Canadian Human Rights Commission. We have too many employers who seem to share our shock at the purveyors of racial hatred, but who have, nonetheless, no visible minority representation in the work force. Women, natives and disabled people know the polite smile that too often accompanies literal compliance with our Human Rights Code, but that nonetheless deprives them of their fair share of the fruits of our economic and social progress.

The tools to moderate this kind of discrimination are more subtle but vitally important to the shape of our society in years to come. The roots of intolerance lie in the base of ignorance, the fear of the unknown. The only long-term weapon against the attitude of intolerance is familiarity, the sense of community that comes with the understanding of others.

Understanding depends on enlightenment. We need to break down the barriers of ignorance through education and I am optimistic at what I see. For example, community relations courses for our police forces across the land; continuing education efforts for judges and lawyers to familiarize them with cultural, racial and other differences; a uniform human rights education program for elementary schools developed by the Human Rights Foundation with federal help is now being implemented in different provinces; promotional and educational assistance to advance the evolution of employment equity and pay equity provided by the Departments of Labour, Employment and Immigration; modest funding programs at the Departments of Justice and Secretary of State to help kick start a bit of research and promotional efforts; and publicity and promotional activities by our Human Rights Commission to bring the message of equality and fairness down to the grass roots.

Admittedly, we have a long way to go to deal effectively with the apparent benign but socially insidious influence of discrimination and intolerance. Modest resources are tightly stretched with limited prospects for expansion. We are doing a lot with what we have, but we still need a lot more to do to make the impact that is needed. The legal rights to equality and the statutory

protection against discrimination are needed for the hard cases that cannot be settled.

But it lies in our hands to lead by example, to support our community groups, to promote the educational efforts that will make tomorrow's society one that is tolerant, not merely tolerable.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, the issue before us today in this opposition day motion is one that I think every member of Parliament takes seriously, and one that I hope all Canadians take seriously.

Racism is a scourge upon our society. It is easy for me to say that as somebody who is white and Anglo-Saxon in a country that is primarily white and Anglo-Saxon. But if you sit back and listen to the cries and the stories of individuals in Canadian society who have been stung by the burr of racism, you will know that there is probably not one single other issue that we as parliamentarians face whereby with a combined effort we can have a more positive effect on the lives of tens of thousands and hundreds of thousands of Canadians who find themselves members of minority groups.

In the last few years as our society has developed and we have become much more sophisticated—at least we think we have—a disturbing trend has emerged. That disturbing trend is the increasing intolerance to those amongst us who are different. We hear about it linguistically and we hear about it in reports such as the Marshall inquiry from my home province of Nova Scotia. We hear it from some segments of society when it comes to the wearing of turbans in the RCMP by Canadians of Sikh origin. We see it all around us. Sometimes, because it is there but it is never quite at the surface, we neglect to take it as a very serious issue, and by our inaction we become an accomplice to the sin in our society of racism and intolerance.

In my riding in Nova Scotia there is the largest native black community in Canada, in North Preston, East Preston and the Cherry Brook area. The forefathers of the individuals who live in those communities came to Canada over 300 years ago, well before my ancestors came to this country. Yet I am lucky, because my family, my children, myself and my parents had benefited from the wealth that is Canada. I wish I could say the same for those families that have been here a lot longer than my family that live in some of the minority communities in my home province, in my own riding.

• (1310)

The original peoples of Canada, the indigenous peoples have suffered for hundreds of years from racist attitudes and at times the complete ignorance and lack of concern for the contribution that they make and want to make to Canadian society. Many times we deny them the right to participate.

Last night while trying to put some notes together for today I thought about racism. Unfortunately, many of our views about racism come from watching television from south of the border. We look at what is happening in the United States. Most of what I knew before I became the member of Parliament for the riding of Dartmouth unfortunately was influenced by the American experience with minority groups.

Many Canadians do not understand that there was overt racism practised in Canada, in the 1940s, 1950s, and 1960s. Indeed, there was a case in Nova Scotia in the 1940s where a lady by the name of Viola Desmond was charged in court because she did not sit in the black only section of a theatre in New Glasgow, Nova Scotia. That was in the 1940s.

Then some of us wonder why members of minority communities talk about the discrimination that has been inflicted upon them by society. We must understand that the history of the treatment of minority groups is nothing we should be proud of.

In my community in Nova Scotia there have been a number of recent reports. The Marshall inquiry issued a scathing indictment of the justice system in the province of Nova Scotia. I am hoping that parliamentarians in this place and in other legislatures across Canada and Nova Scotia particularly will take that report seriously and look at the flaws that have been identified to ensure that our justice system is open and equal to every Canadian.

In September Dalhousie University issued a task force report on the responsiveness of the post-education system in Nova Scotia to the needs of native and black Canadians, and again issued a scathing indictment.

One of the problems is that the racism is no longer as overt. When we do see it as overt we try to change it. Unfortunately, over the last 15 to 20 years racism has gone underground. It has become systemic, and it is systemic racism that challenges each one of us as Canadians to root out and to kill.

In my community in Dartmouth we did a study called "Education Income in the Watershed Area". This black community is only six miles from the city of Dartmouth, a city that suffers only 6 per cent unemployment. In that black community of thousands of individuals that has been there for over 300 years, we found that on average a young black male could expect to earn 42 per cent less than the average non-black male in the Halifax-Dartmouth area.

We found that the levels of high school completion in academic programs was much lower for black students, not because they did not want to succeed, but because the school system was not responding to the different needs of various minority communities in Nova Scotia.

We also found some disturbing trends in types of employment. If you looked at the black community as opposed to the larger community in Nova Scotia, 39 per cent of the residents of the Watershed community, the black community, and 61 per cent of county residents work in white collar operations, while 61 per cent of Watershed residents and 31 per cent of county residents work in blue collar occupations.

We are dealing with something very deep and very systemic, but nevertheless something that is very dangerous. What we are doing by allowing systemic racism to exist in our society is creating a situation whereby we are robbing young people in minority communities of the right and the ability to dream, to dream about what they can be and what they want to do. When they look around and see people who have graduated from Grade 12 or have gone to university, they see that they are not getting the same jobs as their white counterparts. When they look around and see the types of jobs they are getting and the treatment that they get, it robs them of their ability to dream of where they can go and what they can be in this country.

This government and successive governments has tried over and over again to deal with this problem. I think that by and large we have failed and we failed for a number of reasons. One is that the provincial governments and the federal government has refused to put the necessary resources forward, especially in times of restraint, to do the job that has to be done. Canada Employment and the programs that come down from the CEC should target specifically the black, minority, and native communities in Canada. If a community suffers 40 per cent of the unemployment in an area then my view is that it should receive 40 per cent of the dollars that are available through government programs to alleviate the unemployment problems.

I would like to close my comments with a poem which I think is appropriate when we talk about Canadians trying to understand the role of minority communities in this great fabric that is our country. Many times we try to force minority communities to be more like the non-minority communities, to be more like me or to be more like us. This is a poem from Rita Joe, a native Micmac Indian, entitled *Song of Eskasoni*:

I lost my talk

The talk you took away.

When I was a little girl

At Shubenacadie school,

You snatched it away:

I speak like you

I think like you

I create like you

The scrambled ballad, about my word,

Two ways I talk

Both ways I say,

Your way is more powerful.

So gently I offer my hand and ask,

Let me find my talk

So I can teach you about me.

That is a lesson to which every Canadian should listen. If they practice it, I know that the scourge of racism in our society is something that can be eliminated.

Mr. Bjornson: I would like to compliment the member for Dartmouth on a fine presentation this afternoon. I think it was well received in all parts of the House.

One of the comments I made earlier and the hon. member referred to was legislation. For quite some time now we have had very significant legislation dealing with these issues and legislation seems to have failed us. He is making recommendations that perhaps we should bring in further legislation. I am of the opinion that maybe education is the way to go. I feel far more friendly, I do not know if that is the right word, to people with whom I have become associated because I have come to know them personally. No law of the land would make me like that person more, but the association with any person, whether it be a visible or invisible minority, is important.

Perhaps the member could comment on whether or not he feels this government is going in the correct direction in its educational programs.

Mr. MacDonald (Dartmouth): The hon. member has raised some very valid points. Governments cannot do it by themselves, but at the same time government and members of legislatures, members who hold public office and are community leaders have an absolute responsibility to set the parameters of acceptable behaviour in our society and to reflect what Canadians believe to be acceptable behaviour.

This is the place to which we have been elected. I look to this place and to governments to ensure that the programs they put in place do not further contribute to the problem. Specifically, the member asked about education. I do not think the education system in our country, which is a provincial jurisdiction, has done its job. I simply think that if you look at the education system in any province where there are large or small numbers of visible minorities, for example, the history of the native community is not taught in the perspective as seen by natives. It is taught through a white perspective. The history of the black community in Nova Scotia, which is an important history and an important part of Canadian culture and heritage, is taught, when it is taught, through white eyes and in a period of time and by authors of 100 or 200 years ago who lived in a society where racial discrimination, bias and bigotry were acceptable.

• (1320)

I wonder why a black or native student in Nova Scotia is less likely to graduate from high school with an academic diploma. Why is it that they are streamlined into general programs? Why is it when you talk to some of the people who are in charge of the system, and I am not talking about the educators in the schools, they state that "We are educating more blacks and more native people for things that they can do, like clerk in stores."

So the attitudes are still there and they must be tackled with the resources necessary to change the curricula in schools, the resources necessary to ensure that programs are responsive and give equality of opportunity to quality education to every student in Canada no matter what their race, what their colour, what their religious belief. That is something that governments have to do. They will set the example.

In my community, we had a very difficult situation last year at Cole Harbour High in which there was what the media said was a race riot but which in fact was a fight in the school yard between two groups, one primarily white and one black. I want to put on the record what the community did because it is something that everybody in Canada should know about that situation. The community did not divide when that happened. The community came together.

Two weeks ago I attended a dinner. It was on the first anniversary of the situation at Cole Harbour High. It was not a dinner for blacks, it was not a dinner for whites. It was a dinner for people from both communities involved who were concerned about what had happened at that school and who were concerned about the root problem that caused that confrontation.

After that situation happened, instead of taking the anger and using it in a divisive way, leaders from the black community and leaders from the white community, from the Cole Harbour area and from the Eastern Passage area, came together as a parent organization to try to understand each other, so that they could understand the problems that caused this fight between their children. As a result of that type of positive community action, we have come a long way.

I thank God that there are people in my community and in communities across Canada who do not just sit back and wallow in negativism and who just do not accept racism as something that is going to be among us, but who go out and put the effort necessary into understanding at the community level, at a personal level, to tear down those barriers of ignorance that have for all too

long a period of time caused racism to be perpetuated in this country.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott–Russell): Madam Speaker, I must admit I do not find the subject we are discussing today very congenial, and I am referring to intolerance and prejudice.

A Quebecer by birth and a Franco–Ontarian by choice, I had the great privilege of learning both official languages of our country at a very young age: French of course, since both my parents were Francophones, and English because of the environment in which I grew up.

Madam Speaker, discrimination, prejudice and intolerance are like so many diseases that plague our society, and if no remedies are forthcoming, the consequences may be not only unpleasant and distressing but even devastating for our country. I am thinking, for instance, of Lebanon, Sri Lanka and Northern Ireland, where we see how intolerance can destroy every vestige of human dignity.

Earlier this week, Madam Speaker, municipal authorities in Sault Ste. Marie, Ontario, passed a resolution declaring their municipality officially unilingual English, of course.

The city council took this step on the basis of a petition signed by several thousand residents of Sault Ste. Marie. Why? Are the vast majority of Sault Ste. Marie residents bigots? Probably not. Are their elected municipal representatives racists? I hope not. I would rather think they were misled, that they made a serious mistake. Inexcusable, if you wish, but still a mistake.

Last fall, Ontario's Bill 8 came into force. Under this legislation, the province guaranteed Franco–Ontarians living in certain designated areas access to services in French. I am of course referring to provincial services. A municipality may offer services in French and even declare itself bilingual, but it certainly has no legal obligation to do so. So why should it declare itself officially unilingual?

[*English*]

Madam Speaker, a small group of individuals, with their own agenda, are trying to have these resolutions adopted by certain municipal councils in Ontario, stating that bilingualism is something that municipalities cannot afford, and in alleged retaliation for Quebec's Bill 178, which forbids English outdoor signs.

As I said previously, no municipality is forced or in any way compelled to offer French language services in Ontario, even though, in my view, many of them should.

In regard to Bill 178, two wrongs, of course, do not make a right. But it should be noted that the services offered to English speaking residents of Quebec are by and large far superior to those offered to franco Ontarians.

What is most disturbing to me is the message that this kind of declaration sends. Let me try and draw a parallel or two for you, Madam Speaker, and for our colleagues in this House.

If a municipality did not participate in programs to promote racial equality, could it then, using the same logic, declare itself uni–racial? Hopefully not. If a corporation, or a municipality, or anyone else, failed to provide facilities for the disabled, or failed to hire disabled individuals, could it then advertise itself as a disabled–free zone, or any other such name? Again, the answer is no, of course.

Similarly, a municipality or corporation that does not offer French language services certainly need not call itself officially unilingual. The fact that it does not offer these services to its minority, particularly when the minority is composed of a large group of individuals, is unfortunate enough in itself.

To advertise it, in my opinion, constitutes an insult, not only to that minority, even though that is true as well, but to all members of minority groups right across this great country.

The linguistic duality of Canada has been recognized consistently from the Quebec Act of 1774. The fact that Canadians in significant numbers possess an ability to speak one or even both of our official languages represents an immense wealth to our citizens and to our country as a whole. It is a richness worth preserving and worth cherishing.

I call upon all my colleagues in the federal, provincial and municipal office to resist falling into any trap such as this one that divides Canada. Let our country be a land of tolerance where Canadians will feel free and will feel

at home everywhere, be they French, English, native, or part of the multicultural community of Canada.

• (1330)

[*Translation*]

Madam Speaker, I would like to take a few moments to congratulate the hon. member for York Centre (Mr. Kaplan) on the motion he presented before the House today.

I believe that all Canadians, especially those who hold public office, have a duty to speak to this issue. I hope all parliamentarians will do so.

[*English*]

It has been said before, of course, that all that needs to happen for evil to triumph is for good people to do nothing. It is our duty to do something to ensure that evil does not triumph, particularly not on this issue.

I want to ask all my colleagues to join me to ensure that we all speak out for Canadian unity and for Canadian tolerance. Our country was built on that so let us make sure that it is not destroyed by these kinds of unfortunate actions.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I listened to the eloquent speech by my colleague from Glengarry—Prescott—Russell and I cannot help but stand up and truly convey to him my sincerest appreciation.

As he spoke of human dignity, I was reminded of what has been written. Do we speak of the dignity and the beauty of a star? Do we speak of the beauty of a mountain? No, when we speak of human dignity we do not speak in terms of the glory of a mountain, in the glory of an object but in the glory of the individual. That individual must affirm oneself, and that is the essentiality of life itself.

I am also struck by his comment that those of us in government, the persons who are in power, must treat those other individuals with care. Those are the two concepts that are crucial when we speak of human dignity.

I congratulate my colleague, the member for York Centre, in introducing this motion in which he tells us that intolerance and prejudice exists in Canada and then challenges us to condemn that because intolerance and prejudice definitely will destroy the fabric of our nation. We ought to be reminded that the threads that constitute the fabric of our nation are the cultural, social, economic and political factors.

As we address these many issues as alluded to by my colleague, then one day truly we will say that bigotry, intolerance and injustice will be history in the history of our country.

[*Translation*]

Mr. Boudria: Madam Speaker, I will take only a few moments to thank the hon. member for his kind remarks. I am happy to see, Madam Speaker, that there are many in this House who take this question very seriously. I hope we all do so and that in the days and weeks to come, we will be able to fight the latest unfortunate development we are seeing in this country, and that we will all work together to ensure that Canadians acquire a better knowledge and understanding of each other. I hope that unfortunate events such as those we have seen in the past few days will never happen again.

The Acting Speaker (Mrs. Champagne): Resuming debate. The hon. member for Charlesbourg (Mrs. Tardif).

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Supply and Services): Before I begin, Madam Speaker, I wish you to know that I will share the time allocated to us with one of my colleagues.

Madam Speaker, it is with deep emotion that I rise to deal with the motion which is before the House today and which, as the previous speaker reminded us, not only condemns intolerance and prejudice in our Canadian society, but urges—that's the part I wish to emphasize—the governement and all members of Parliament to play a role in strenghtening understanding and respect among Canadians.

Madam Speaker, it is indeed important to encourage mutual respect and understanding between Canadian men and women, especially in an area as basic as our linguistic duality, the recognition and promotion of both our official languages.

As next week will mark the 25th anniversary of the tabling of the Royal Commission on Bilinguism and Biculturalism Preliminary Report, I suggest it is important to see that this issue is still part of the current events, that there are new challenges and that we must strive to meet them.

[*English*]

Why? Because it is directly related to a fundamental component of our country's identity. Linguistic duality is part and parcel of our history and our evolution and I am proud of the renewal of our government's commitments in this regard.

[*Translation*]

After 20 years, Madam Speaker, this government decided to rejuvenate the Official Languages Act and included a new and extremely important promotion role for the Secretary of State.

By so doing, it gave a new impetus to a whole series of support and operation which we do not always take the time to identify and emphasize. Whether in the federal–provincial context, through exchanges with non governmental agencies or initiatives within linguistic minorities throughout this country, we should bear witness to these efforts and accomplishments, great or small.

[*English*]

Such efforts are visible, tangible signs of our country's openness and generosity. They show how together our linguistic duality and cultural diversity provides exciting opportunities for personal and social enrichment.

[*Translation*]

Many of these initiatives are major projects and collective realizations. They include the establishment for Francophones, together with the Ontario Government, of a College for Applied Sciences and Technology, agreements with the Saskatchewan Government providing for a variety of means to support the recognition of the French language, the promotion of teaching and the enlightenment of the French minority. Other agreements provide for the promotion of the official languages in Nova Scotia and various services to minority communities in Prince Edward Island and Quebec. Other agreements provide for the creation of new Francophone community school centers in Newfoundland, Nova Scotia, Prince Edward Island, like in New Brunswick.

We also signed a new memorandum of understanding on official–language instruction with the Council of Ministers of Education. These are landmark events.

Francophone parents outside Quebec are brought together and strengthened by the National Commission of Francophone Parents, and Canadian Parents for French is working in many communities for the teaching of French as a second language. Organizations to represent English–speaking Quebecers in the Abitibi and on the North Shore are coming into existence.

In June 1988, the programs of the Department of the Secretary of State were renewed and strengthened.

[*English*]

This type of activity reflects fundamental democratic values held by Canadians: promoting community spirit and dialogue; encouraging discussion and the exchange of views; relying on the consultative process; co–operation and good will; and seeking partnership on various levels. The language issue still produces and will continue to produce tensions. These we cannot and must not ignore but I am profoundly convinced we must address them not in a spirit of recrimination and confrontation but rather, in the spirit of openness and tolerance that has long constituted the best measure of progress in this country.

• (1340)

[*Translation*]

This will enhance Canadian identity, which is based on our diversity. Our country recognizes two official languages, used by two great language communities, and enjoys a rich cultural diversity, evidenced by the presence of many other languages and communities, namely our country's first inhabitants, our native people, and the communities formed by many people and groups who have come from all over the world to take part in the development of our country.

In speaking of these things, I do not refer to an abstract notion but to a set of closely related policies which seek to guarantee justice and fairness for all our fellow citizens, anglophone and francophone, with special attention to those who are in a minority.

I am also talking about policies based on the promotion of better understanding and greater harmony between our two language communities. The success of these policies depends in large part on each one of us, on our openmindedness, on our willingness to see the

other's point of view, in short, on our attitude to our fellow citizens.

By being fearful, unimaginative or simply intolerant towards our neighbours, we contribute to tensions, problems and agitation. In short, we lay the foundations for a society that is a prey to dissatisfaction and anger. If on the other hand we display the necessary imagination and skill, if we have sufficient self-esteem and self-confidence to respect our neighbours, our country may still have problems—what country does not?—but it will not have to fear for its unity!

[*English*]

There is only one way to meet these fears and misconceptions. That is to explain, and explain again, just what we are doing and why. We have to explain why we believe our policies are reasonable, just, and above all, fair. We have to make sure they are all those things. If we do that we will continue to have the great majority of Canadians on our side.

[*Translation*]

Equality, justice, fairness—these are the basis of this government's policies, these are the fundamental commitments enshrined in the revised Official Languages Act passed by this House. These are also the principles that we must promote and have understood throughout our society.

[*English*]

Mr. Bird: Madam Speaker, I would like to compliment the hon. member for Charlesbourg on her excellent address, particularly on her call to Canadians for openness and understanding in our approach to the practice of our official languages legislation and the reality of our two official languages as the linguistic foundation of our country.

I believe I share with all hon. members the concern that was felt this week when one of our most prominent cities, the city of Sault Ste. Marie with its proud heritage and tradition in the history of our country, decided to make a formal assertion of its unilingual status. It was an assertion that did not seem to be required and that would obviously be cause for offence to some of its citizens and citizens everywhere in this country. I would hope that the mayor and councillors of Sault Ste. Marie would see fit to reconsider their positions, to review their references and assumptions and the act of leadership in the wrong direction which their decision, in my opinion, constitutes.

I would like to mention to the hon. member for Charlesbourg, to the mayor of Sault Ste. Marie and to this House that in the city of Fredericton, which I represent, we have also had linguistic tensions over the years. We are the capital city of New Brunswick, the only officially bilingual province, but the tensions of language still exist. We continue to work at them.

About a year ago we were able to establish a citizens committee on language and culture with individual citizens from both French and English backgrounds and from ethnic backgrounds. We have, for example, as a member of this committee, a church minister who is an Estonian. They meet every second week on Monday afternoon for three hours. While the discussions are not public yet, eventually they hope to be able to express their views in a manner that will lead the community to greater understanding. They sit and talk about what the anglophones of New Brunswick and of Fredericton want in a society and what the francophones of Fredericton and New Brunswick want in a society.

I have had the pleasure to witness real communication, understanding and tolerance developing. I urge the mayor and councillors of the city of Sault Ste. Marie, perhaps the MLAs from Sault Ste. Marie, and even perhaps the member of Parliament for Sault Ste. Marie to use their good offices to establish such citizens committees for the discussion of these difficult issues. As the member for Charlesbourg has said, that kind of an open, tolerant and understanding approach does lead to the creation of a civilized society, the kind for which Canada is held in great esteem throughout the world.

[*Translation*]

Mr. Fernand Jourdenais (La Prairie): Madam Speaker, I also want to thank my colleague, the member for Charlesbourg (Mrs. Tardif), for allowing me to add a few words to this afternoon's debate which I consider a commitment by each individual member to do everything in his or her power to make Canadian society a better place where all nationalities and races which make up our fabric can live in harmony.

Madam Speaker, intolerance and prejudice in any society, including ours, must be condemned. In addition, we must ensure that they are not allowed to feed on our society. Intolerance and prejudice are only the result of our ignorance. For us, as Canadian people, these are some of the reasons why this government has put so much emphasis on programs supporting our creative talents and promoting our cultural heritage, thus helping to enhance our Canadian identity.

[*English*]

Madam Speaker, the government's total cultural envelope is in the area of $2.4 billion this year, covering several departments and ministries, including the Department of Communications, and, among others, the Secretary of State and the several relevant programs, notably, multiculturalism and the Department of Employment and Immigration.

The Minister of Communications has stated many times in this House that a nation without artists is one without identity. The minister has long recognized the important role that writers, painters, mimes, actors and actresses, comedians, singers, journalists and broadcasters, among others, have played to help us to communicate with each other.

Through these talented mediums, we understand our common bonds, our history, our shared passions, secrets, likes and dislikes, our ambitions for ourselves and for our families, now and tomorrow.

Innovative and well funded programs coming under the aegis of the Department of Communications and the cultural agencies have provided encouragement and support to these artists and to the cultural industries they depend on to disseminate their messages, the publishing industry, the sound recording industry, the performing arts, cultural centres and museums, ballet and theatre companies, and probably the most potent educational force of this century, broadcasting.

Indeed, this House has before it now a wide-ranging bill respecting broadcasting. This bill, tabled in the House by the minister last October 12, has since progressed through second reading and is now before a legislative committee of this House.

• (1350)

Fundamental to the new bill is the notion that the Canadian broadcasting system is important to Canada and to all Canadians for the very reason that it has served and will continue to serve even more effectively to introduce Canadians of all backgrounds, creeds and customs to each other in what is now legally a bilingual and multicultural society.

There is no greater tool than the power of broadcasting to influence public opinion on any subject. The new broadcasting bill now before this House is an instrument which my hon. friend should support in our common goal of eradicating intolerance and ignorance. In its declaration of a broadcasting policy for Canada, the bill stipulates under part four of subclause (c) of clause 3:

> The Canadian Broadcasting System should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multicultural nature of Canadian society and the special place of aboriginal peoples within that society.

There are other parts of this declaration which are particularly relevant to our debate today. They include comments on the publicly-funded Canadian Broadcasting Corporation and its new mandate. I would like to cite some notable exhortations: The programming provided by the Corporation should:

> Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
>
> Contribute to shared national consciousness and identity;
>
> Reflect the multicultural nature of Canada.

The broadcasting system is told it must provide programming that reflects the aboriginal cultures of Canada, as resources become available for this purpose.

Distribution undertakings are instructed among several subsections dealing with them, that they should:

> Provide access for underserved linguistic and cultural minority communities.

In summation, this land which already is strong will be reinforced yet further by our maintenance and improvement of those vehicles already at our disposal to educate the general public.

While the hon. member has called for a debate on intolerance and prejudice and while isolated incidents do remind us deplorably of bitterness, distrust and jealousy, Canada on the whole has been blessed with a positive and welcoming atmosphere for all people.

A reinforcement of our traditional pioneering values of hospitality, of compassion and tolerance for other other people is required. Through peer group discussion, through our educational systems and through the powerful popular media, it is in Canada's best interest that these values be allowed to prosper again.

Whether we date our history by the Julian or Gregorian calendar, or by the Chinese or Jewish calendars, today is shared by each and everyone of us and tomorrow will come just as routinely as ever.

Canada's painters, poets, dancers, actors, musicians and the many other talented individuals who make up our cultural wealth have played a useful role in the past and continue to be important to us as our interpreters, placing these differences into perspective and reminding us how much we have in common.

There are other languages than the spoken ones and all must be brought to bear to communicate the message that Canada is a multicultural society and all the richer for it.

Mr. Harb: Madam Speaker, I would like to congratulate the member on his wonderful statement. It was very impressive.

He spoke about the issue of education through the CBC, the Canadian Broadcasting Corporation. One would suggest that is a very novel suggestion. I share his views and I am sure all members on this side of the House share his views on this issue. It is important to do that, but it is also important to provide the money to go along, to put our money where our mouth is.

I was a bit saddened when I saw the government cutting some of the funding to the CBC. I wondered, how can the CBC meet its objectives and its mandate in light of those cuts. That is one question.

I also agree that there is a need for education. We as a society have to keep our eyes open on issues, whether they affect a linguistic group or individuals in general. When it comes to individual rights, we have human rights commissions and agencies across the country that deal with abuses. The problem is that it takes forever for cases to be heard by those commissions or agencies. I also feel that there are no teeth in the decisions that these agencies make. A decision will be made and it seems forever before we see any action.

How does he propose CBC can meet its mandate in light of the recent cuts and the potential future cuts? How would he see commissions and agencies meeting their mandate under the same circumstances?

[*Translation*]

Mr. Jourdenais: Madam Speaker, I commend the hon. member for putting to me a few questions on how the government intends to deal with multiculturalism. As I said in my speech, if he listened closely, we have $2.5 billion invested in multiculturalism and the Canadian Broadcasting Corporation legislation.

He referred to cuts. While he put his question I wrote a word down: "Quality" rather than "quantity". Do we need so many people to do the work? Three people are doing the work of one. You certainly realized this, since you live in the Ottawa area, where an unbelievable number of people are working but are not giving their best performance, either at the Canadian Broadcasting Corporation or even in other departments. So we made cuts and I am convinced that the CBC's new president certainly will get from those who are left the same results as when there were three times the number of people needed.

The last question I did not understand altogether. I am sorry I was taking notes. But following the discussions we had this afternoon, following the way the government has been working for multiculturalism under the new act, I must say Canada is the only country in the world with a new act to treat everyone on an equal footing, whatever his or her colour, race or country of origin. We also have excellent immigration policies that do not exist in other countries, and certainly the hon. member is following closely what is going on globally. What we see in other countries is that refugees especially and even immigrants are not accepted unless they can bring four times what people are bringing to Canada. We are open, we accept immigrants, and we continue accepting them. All I am asking is that all Canadians treat those people

on an equal footing, that they treat them the same way as they themselves want to be treated.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, it is indeed a sobering debate today. There is no value more fundamental to our society and our existence as human beings on this earth than our value for life, the potential and the worth of every human being. We often come closer to that in our rhetoric than in our practice, unfortunately. A member on the other side of the House said earlier this afternoon that it lies in our hands to lead by example.

I want to examine one particular aspect of equality in Canada. There is no more fundamental right of equality than the right to work, to earn a living and to earn a salary that reflects fully the value of the work one does. Yet in this field alone people of different cultural, ethnic and religious backgrounds are not treated equally in this country. They are not given the full opportunity to develop and demonstrate their potential and to be adequately compensated for it.

• (1400)

By allowing this to continue, we not only demean, belittle and diminish the lives of those people but we diminish the life of our nation. The most valuable resource we have is the capacity and the ability of our people to contribute to the future development of Canada and to the richness of Canadian life.

There is no better way for the Government of Canada to lead than to exercise the tremendous influence it has as the largest employer in Canada and to demonstrate that full equality in hiring, that eliminating biases and prejudices of which we may not even be aware, is so fundamental to acting as a good employer and, above all, to acting as a good government that it deserves the highest priority that this government and this House can give.

I have raised this issue a number of times in the House and have been subjected to rhetorical answers about our employment equity practices and employment equity program and what a wonderful job we are doing. The facts are quite otherwise. I think it is important for the House to be aware of those facts.

Indeed, the Public Service Commission has done a good job of encouraging people to apply for employment within the federal government. I want to talk about the category identified as visible minorities. The federal government between 1987 and 1988 encouraged a 250 per cent increase in applications by people of visible minorities. Of a total 56,000 applicants to public service fully 9,500 were from visible minorities. But how did they fare when it came to being hired? While the number of applicants increased by 250 per cent, the number hired increased by less than 100 per cent.

If your skin was a different colour than that of the Canadian majority, your chance of being hired was only one-quarter as good. Let me just give the figures. Of all applicants, 17 per cent were hired. Of visible minority applicants, only 3 per cent were hired. That means that there is a six to one discrimination factor in our hiring practices in government.

I turn to the report of the Human Rights Commission for 1988 where it states:

> Although the official Treasury Board report published at the end of the year puts its best foot forward, analysis of the latest public service figures reveals that matters are not all that much better in federal departments and agencies, despite their having been subject to a policy on employment equity for several years.

It states further:

> Visible minorities fair reasonably well in the professional group but their numbers are negligible in blue-collar categories and well below national workforce figures in other areas.

In fact in hiring people into management the federal government has a worse record than the private sector; 6.4 per cent of our workforce are identified as being visible minorities. Yet, in our management category, only 1.6 per cent are. We find visible minorities in the public service clustered in the professional categories, virtually excluded from blue-collar positions, and clustered again in the low-paying clerical worker jobs. On the other hand, the management category in the private sector is well over 2 per cent, more than double that of the federal government. This is nowhere near the ratio of visible minorities in the Canadian population or the Canadian workforce, but is double the record of the federal government.

The same situation applies to promotions. People do get into the Public Service of Canada but they stay where they are. They do not move up. They do not move into that management category where policies are being

made, where decisions are being made, where the very culturing ethos of the public service is being influenced and directed.

It is one of the reasons for my concern about Public Service 2000, the Canadian Centre for Management Development and various other initiatives of this government which would decentralize and delegate decision making. The Public Service Commission is responsible for hiring on the basis of the merit. But we have been unable to ensure that hiring is on this basis and not on extraneous factors such as the colour of the skin or the accent. I fear that by creating an elite management cadre we reinforce the little glass bubble lived in by our top 4,000 managers. We encourage and perpetuate the exclusion from that little glass bubble of those who do not quite fit.

There are pro-active ways to increase employment equity but they are not being carried out in the Public Service of Canada. There is no systematic sensitization of managers to the unconscious ways in which they may make choices of who to hire or who to promote. Essentially we all like to think of people who are most like ourselves as being competent. There is a desperate need for a pro-active program among managers in the public service to free up their thinking, to let them see and understand how they perhaps discriminate without intending to. There is also need for a pro-active program at the hiring level to work with people whose cultural differences, language barriers, and different backgrounds may be a negative factor in their being hired. We must get rid of those negative factors. There is a need to follow up when persons are not hired or interviewed to find out why and to what extent discrimination, however unconscious again, may have been a factor in that non-hiring.

There are a variety of areas in which Canadians look to the government for justice, fairness and equality. I was appalled earlier this year when this government refused to accept an amendment to the unemployment insurance bill that would have guaranteed equitable access for all discriminated groups to training and employment opportunities under the unemployment insurance scheme. I cannot understand or justify how our government, including the minister responsible for the Status of Women and the Secretary of State including people whose responsibility is equality in Canadian society could have voted against that amendment. But they did.

I cannot understand why I get a letter from the Assembly of First Nations of Canada saying the Secretary of State has refused them literacy funding unless the Department of Indian and Northern Affairs approves. Are they not able to apply for a national program on the same basis as any other group of citizens in this country? Are they being told they do not qualify because they are native Canadians? These are the kinds of things that happen routinely in government that we must obliterate.

It is fine to speak nice words but we have to look at reality. We have to look at enumerators who go around during election time and see if they react differently to somebody with a different skin and ask them where they were born. They do not ask that of people with white skin.

As the world opens up, people from different nations, different cultural and language backgrounds are invaluable assets to this country. They should be at the upper levels of policy-making, designing government programs, and they are not. I urge the members opposite to have an honest and open look at our own hiring and promotion practices and to fix them.

Mrs. Browes: Madam Speaker, the member who just spoke spent some time speaking about the public service and in reference to a very recent decision that was handed down concerning equal pay for work of equal value.

• (1410)

I would just like to read the decision on that particular issue brought forth by our government because we were concerned about the public service policy concerning the value of the jobs, and the pay. In January 1990, just last week, the President of the Treasury Board announced a $317 million retroactive equal pay adjustment covering four female dominated groups in the public service.

That retroactive adjustment will average about $4,800 per employee. Another $76 million will go to the annual adjustment taking effect in April of 1990. This is the result of work done since 1985 by the joint union management initiatives on implementation of the equal pay in the public service under which an employee study was undertaken and the value of 3,200 representative

jobs were assessed. Some 68 public servants will be affected by this adjustment.

That has been a very positive aspect of our government's initiative in terms of evaluating those jobs in the Public Service.

The other point I would like to bring to the attention of the member is the number of Order in Council appointments by this government of women who have been appointed to boards and commissions. When we took over in 1984, only 13 per cent of those positions were held by women; now it is 30 per cent. It should be 50 per cent, but women are being recommended for positions as they become available, as are visible minorities.

We recognize that there is more work to be done, but we have made giant strides in terms of what was needed.

Mrs. Catterall: Madam Speaker, the member can believe all the propaganda the minister wants to put out if she wishes to, but the Canadian Human Rights Commissioner has other things to say about that. He slams government over pay equity. He has attacked the government for not co-operating with the commission. He warns that the issue of pay equity in the federal public service is far from resolved. There are still 60,000 outstanding complaints before the Human Rights Commission. They have not been resolved. Forty-eight hundred dollars over five years is not pay equity. In fact, the latest settlement by the Human Rights Commission was four or five times that.

The member is obviously not aware that people do not get their salaries or classification increased when they win a pay equity settlement. They just get this little token payment on top. They are denied their benefits. They are denied benefits lost over the last five years or more.

I would ask the member to read the message from the Human Rights Commissioner who had offered his co-operation but was not consulted. He said that what Mr. de Cotret announced was, in fact, one-half of what these people deserve. However, all of this has nothing to do with equality in hiring practices. I urge you to look at the number of women, visible minorities, and persons with disabilities who are being hired on short-term, temporary contracts, and a part-time basis. They are not getting into permanent jobs which would give them the financial security that people need and deserve.

I know people who have been in the public service for four or five years on repeating six months' terms, without any stability, security, promotion, or benefits.

Mr. Hawkes: Madam Speaker, I am wondering how comfortable the member feels representing a party that had close to 20 consecutive years governing this country and left us with those pay equity problems? Is it comfortable to support a party that had 20 years to fix them but did nothing? Or is it more comfortable to support a party that has at least done something?

Ms. Clancy: Five years and counting, Jim.

Mrs. Catterall: Madam Speaker, I think the member needs to be reminded that it is this party that introduced the Canadian Charter of Human Rights to ensure that not only in government, but throughout society, those problems would be addressed. It is his government which has had that charter for a number of years now and has been stalling and balking on implementing it.

I am not here to revisit history when attitudes were certainly different in government as they were throughout society. We know that the value of people and our commitment to respect the equality of people are something precious in our society. We incorporated equality in our Charter of Rights and Freedoms and in our Constitution.

Values are changing in society. Needs are changing in society. I think it is time the government took its responsibilities right now, stopped stalling and got on with the job.

Mr. Hawkes: I have a supplementary question, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The time for questions and comments is now over. On debate, the hon. member for Halifax.

Ms. Mary Clancy (Halifax): Madam Speaker, I rise to speak in strong support of this motion. I certainly advise the government Whip to listen; it might do him some good.

I rise to speak, as I said, in strong support of this motion and in a great deal of seriousness in relation to what has gone on today and what has gone on for far too long in this country: intolerance, bigotry and discrimination. These are synonyms for ignorance. They are syn-

onyms for fear. There is no place in the Canada of 1990 for words such as these nor for the sentiments that they portray.

Bigotry, prejudice and intolerance are not natural to the human species. They are learned responses, learned through odious example and passed on as an insidious legacy, eating away the fabric of decency in Canadian society. Anti-French, anti-woman, anti-black, anti-native, and so on: what we have is a perfidious, sickening litany of hate.

Unfortunately my riding of Halifax in my province of Nova Scotia now has a reputation that has been much tarnished over the past several years and, more unfortunately, rightly so. I refer to the report of the Marshall inquiry that has shown beyond any doubt the despicable treatment of visible minorities by the justice system and the institutionalized racism that exists in Nova Scotia.

However, the tragedy is that it exists not just in Nova Scotia. It exists in Canada as a whole. It exists in every province. Nova Scotians today bear the guilt for what has gone on in our province in the past, but as Canadians we jointly bear the responsibility for our refusal to come to terms provincially and federally with the questions of bigotry and intolerance.

The metropolitan area of Halifax and Dartmouth, as was referred to by my colleague, the member for Dartmouth, in his speech earlier today, contains the largest indigenous black population in Canada. Some 90 per cent of indigenous blacks live in Halifax and Dartmouth and the surrounding area. The black population of Nova Scotia has a long and proud history in this country.

Indeed black immigration to the east coast of Canada was in two ways. The first was a significant number of blacks who came as United Empire Loyalists after the American Revolution, who came with the idea of starting a new life loyal to the British Crown and who came under the same theories of land grants as their white counterparts. Unfortunately those theories were not realized. Although there are many blacks in Nova Scotia who can trace their roots to that same proud heritage, that proud heritage was never recognized in land grants and reactions from the British Crown. Perhaps this was the beginning of institutionalized racism in the province of Nova Scotia.

The second major wave of black immigration into Nova Scotia was the famous underground railroad from the southern states, run by such famed abolitionists as Harriett Beecher Stowe, her brother and various and sundry other brave and courageous anti-racists in the 19th century in the United States and Canada. The last stop on the underground railroad was the province of Nova Scotia. From there the communities such as Preston and Cherrybrook, the black communities in Cape Breton and Digby County and Yarmouth County, eventually arose.

• (1420)

Blacks in Nova Scotia have been nation builders, the same as Canadians of any other colour from coast to coast. In Nova Scotia blacks have laboured side by side with whites as coal miners and steel workers in some of the most back breaking and dangerous jobs this country has ever seen. They have been fishermen and they have been farmers. In my city of Halifax they are an integral part of the small but cosmopolitan community that is metropolitan Halifax.

Yet, despite all this contribution, we still have in the black community in my province a disproportionate unemployment rate and a disproportionate school leaving rate. Worst of all, we have a belief among the black community that its worth and its value to our society is less in the eyes of its white fellow citizens than it is in its own eyes. This a shame and a scandal and something that none of us can stand for while it still exists.

I want to talk very briefly about a particular part of my city: a particular housing project in the city of Halifax which I think is a microcosm of the problems created by racism, combined with poverty and combined with a refusal to see what is in front of us, a refusal to see the facts as they are.

Over 30 years ago this public housing project was built in the city of Halifax. It overlooks some of the most beautiful landscape in a beautiful city in a beautiful province. From this housing project one can see Bedford Basin, Halifax Harbour and the hills beyond Dartmouth. This project has a series of joined terraced houses and at least two or possibly three high-rise apartment buildings. The first thing that strikes one inside this complex is the amount of concrete and the absence of grass.

When I went there for the first time in many years this past summer, the first thing that struck me was: Who decided that people who live in public housing do not want to have grass for their children to play on just as much as people who live in expensive neighbourhoods? Who decided that concrete and rusty springs, broken cement and broken wrought iron are acceptable for the children of public housing residents when they are not acceptable for children of people in perhaps a higher economic bracket?

When we look at this particular housing project we see that discrimination is alive and well, because the vast majority of residents in this project are either black or another group vastly discriminated against in our society: single mothers probably on social assistance.

This project was built 30 years ago. In its high-rise elevators children are stopped and dealt drugs. Muggings and rampant crime against persons and against property are daily events. We all hear about the projects in Chicago and tell ourselves that our cities thus far are better off. Well, I am here to say that in my city of Halifax they are not better off. The project in Halifax may be smaller, but the harm to the humans, black and white, adults and children, who live there is no less.

I doubt that anyone in this House would ever admit to be racist. I doubt that anyone in this House would ever admit to being a bigot. Certainly I believe that all of us, no matter from where we come, no matter what views we espouse, are here because we want to do as much good as possible. When I say that I do not believe anyone in this House is truly a racist or a bigot, I hope it is true at least in the essential meaning of the word.

The problem is that while we sit here in this House of Commons and do no more about projects like Mulgrave Park, about a refusal to allow Sikhs to wear their turbans in the RCMP and about a refusal to grant pay equity as it is supposed to be granted, we plead guilty to the charges of intolerance.

Mr. Gardiner: Madam Speaker, I have a very brief comment to make and a question to direct to the member.

I congratulate her on the comments she made reflecting circumstances in her riding in Halifax which I visited many years ago and hope to visit some time in the future. I would also like to speak briefly to the motion presented by the Liberals on intolerance in our society in Canada. It is a duty of all members of this House and community leaders to ensure that tolerance is recognized and continued in this country.

I gather this motion was presented by the Liberal Party. I am interested in having a comment from the member on how unified the Liberal Party is on the motion and if its members will be supporting it.

I refer to comments made on November 17 by the member for Gander—Grand Falls who in reference to the member's comments about turbans and Sikhs with the RCMP suggested that that was ridiculous. I wonder if Liberals have had their own talks on this issue so that they are in fact unified and that tolerance in society is represented by all members of all parties.

Ms. Clancy: Madam Speaker, I am delighted with the question and comments of my colleague in the New Democratic Party. I can tell it has been a long time since he has been to Halifax, but I am sure he will remedy that. If he speaks to me, I will make sure they let him in.

With regard to a comment by my colleague for Gander—Grand Falls, if he said that the question of stopping the Sikhs from wearing their turbans in the RCMP was ridiculous, I can only say that I certainly agree. If he said something else, I suggest his remarks were misinterpreted. I am not familiar with the remarks. I only know that in the Liberal Party to which I belong I feel very strongly and I am fully aware that my views are supported by my caucus colleagues.

This is an issue that goes beyond partisan point making. If at times any one of us in any of the three parties falls from grace and makes a comment that is unacceptable to someone else, it is sad and unfortunate. We all try very hard to make sure that this does not happen, but unfortunately we too are human and we too make mistakes. When the day comes that we can stand here in this House and say that no one in any of the three parties is likely to put a foot wrong, perhaps that will be the day that this country will be in such perfect condition that we will have evolved ourselves out of the need for a job.

Mrs. Catterall: Madam Speaker, I was interested in what my colleague had to say about the obvious links between poverty and racism and lack of education and lack of opportunity. I just wonder if she might take a minute to reinforce her message to the House that

racism has some very undesirable social and economic impacts in our communities.

Ms. Clancy: Madam Speaker, I have a very brief comment in response. I mentioned that there was a disproportionate school leaving rate for blacks and a disproportionate unemployment rate for blacks in the province of Nova Scotia. I would just like to quote some statistics very briefly. We have 10,000 people in the Nova Scotia Civil Service. The Marshall inquiry report has told us this week that only 208 of those civil servants are visible minorities, which includes not only blacks but other visible minorities as well.

• (1430)

Today the Premier of Nova Scotia, John Buchanan, said there was no racism in the Nova Scotia Civil Service, and he said that he could not recall any incident of discrimination within the Civil Service or even a charge thereto in the last 10 years.

I want to say that in a city like mine where blacks are continually and daily the subject of discrimination in education and in hiring a statement such as this one shows nothing short of irresponsibility and insensitivity of a mammoth nature.

Mr. Greg Thompson (Carleton—Charlotte): Madam Speaker, intolerance and prejudice are attitudes that are crippling in any society, not only to individuals and families but also to society at large.

The House heard earlier today of government action on issues ranging from race relations and official languages to culture and justice, all of them fields in which this government's initiatives have made a meaningful difference in regard to improvements.

I join in the debate by discussing government initiatives in another field: the world of employment. I will focus on the issue of employment equity for there are few measures of such general significance in the fight against intolerance and prejudice.

This government recognized from the outset that Canada could no longer afford the enormous social and economic class implicit in inequitable and unjust employment barriers. We understood that for Canada to succeed in the 1990s and beyond the full participating of our human resources was essential.

Everyone in the House is aware that the competitive and skill demands on our labour market are increasing at an unprecedented rate. To meet these demands we must equitably involve all Canadians. In contrast to the government of hon. members across the floor, this government has not merely paid lip service to the issue of employment equity but we have acted decisively and responsibly.

In 1986 we took a number of major steps toward achieving equity in employment in Canada. As part of that initiative the government established two important programs: the legislative employment equity program and the federal contractors program. These major landmarks deal significantly and specifically with the four groups arbitrarily affected by stereotypes and prejudice, namely, women, aboriginal peoples, visible minorities and persons with disabilities.

The Employment Equity Act was passed in 1986. It is the first legislation of its kind. The legislative employment equity program applies to Crown corporations and to federally regulated employers with 100 or more employees. These employers are primarily in the banking, transportation and communications industries.

Under this program employers must implement employment equity and submit annual reports showing how the four designated groups are represented in their organization in terms of salary ranges, occupational groups, hiring, promotions and terminations. Their reports are analysed by us and are then made available to the public through public libraries. Employers who fail to report may be fined.

In addition, these reports are handed over to the Canadian Human Rights Commission which can take action against an employer who has discriminated.

It is important to note that this legislation does not set quotas or dictate exact steps employers must take. It is not a bureaucratic albatross for employers. Instead, it is a developmental mechanism which encourages investment in a more representative, productive workforce. The goal of these programs is to achieve equal access to employment opportunities for traditionally under-represented Canadians.

• (1435)

The government moved quickly to pass this legislation and we have been encouraged by the response from Canadian employers. The legislative employment equity program and the federal contractors program encompass

35 per cent of the top 500 companies in Canada with more than 1.5 million employees in total.

Under the the federal contractors program failure to implement an employment equity plan will result in sanctions, meaning that there will be no more opportunity to do business with the federal government until the program criteria have been met. This has already happened in many cases but, more important, over the short-term period we are seeing some positive results based on acceptance of this program and this government objective to put a more representative and dynamic face on our workforce.

We will continue to monitor these programs. We are determined to take the steps necessary to ensure even greater progress. Across Canada companies are recognizing that employment equity means good business. As important as this progress is the government sincerely believes that it is even more fundamental to give Canadians the chance to find their place in an expanding labour market. After all, the road to productive, meaningful employment must be built on economic opportunity.

Over the last five and a half years this government has clearly established a framework of opportunity and growth. During that time employment has fallen significantly, while job opportunities have grown. As significant as the number of jobs is the type of jobs this government is targeting. Through the Canadian Jobs Strategy approximately 1.5 million Canadians have received meaningful training and on the job experience since 1985. By emphasizing co-operative involvement with the private sector at the local level, the Canadian Jobs Strategy has given Canadians meaningful job skills that translate into long-term employment.

There has been no riding in the country that has benefited more from this particular program than the riding of Carleton—Charlotte. We have given programs to many disadvantaged people, especially women. We have allowed women to go into the workforce who have never had the opportunity because of lack of education, marital break-ups or whatever. We have really had some great successes in New Brunswick with that particular program. We have programs coming on stream constantly to address this very real need in the workforce.

Consistent with the Canadian Jobs Strategy mandate of helping those in need, participation in the CJS program is focused on women returning to the workforce, persons with disabilities, young people and other target groups.

This commitment to a more dynamic and representative workforce was reinforced last spring through the government's Labour Force Development Strategy. This strategy includes positive changes to the UI program designed to reflect the Charter of Rights and Freedoms as well as contemporary, social, family and work patterns. Again it is the co-operative, training oriented strategy involving all stakeholders in the common goal of making our labour force more responsive to emerging pressures.

Employment equity is not a thing of the past, but on a variety of legislative fronts this government has implemented measures that are already having an important impact. As the hon. member's motion states, every one of us in Parliament has a role to play in ensuring that all Canadians receive equitable hiring and salary treatment. This government has taken and is taking significant steps in that direction. The result of these initiatives and of a sustained period of economic growth has been unprecedented. The opportunity for Canadians will continue to grow.

In conclusion, the government is committed to ensuring that these opportunities continue to grow for all Canadians.

• (1440)

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate with the hon. member for Comox—Alberni.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I guess when one is almost the last one on the list in this debate one has an opportunity to do a bit of a recap.

On behalf of my party I thank the member for York Centre and the Liberal caucus for the presentation of this motion. Given some of the events in Canada today, it is important that we commit some time in this Parliament to the discussion of what appears to be a growing wave of racism and intolerance in this country.

It is of particular concern, when we look elsewhere in the world where barriers between peoples are breaking down, where freedom seems to be on the increase, where democratic thought seems to be on the increase and where tolerance to be on the increase, that in

Canada the tide may be moving the other way. This is something that we in this Parliament and that the government have to be concerned about.

Some members even mentioned the speech in Parliament a couple of days ago by Prime Minister de Klerk of South Africa in which he announced that the barriers in South Africa are to begin to be broken down and that an approach is to be made toward more equality between the races and the establishment of more equal rights between the races in South Africa.

As those countries which have in the past been less tolerant become more tolerant, my concern is that Canada seems to be proceeding in the opposite direction and at some point along the way will end up substituting for those countries as the object of international concern and derision.

Previous speakers have mentioned the motion recently made in Sault Ste. Marie about its establishment as a unilingual city. This country is proud of its bilingual traditions and wishes to see those traditions expanded and the rights of Canadians, regardless of their mother tongue, respected all across the country. What happened in Sault Ste. Marie recently came as a shock to many Canadians who see this country as a country of freedom, a country of tolerance and a country of mutual respect.

One thing that has disturbed me over the last little while is the number of letters and petitions I have been receiving from people in my constituency and elsewhere, suggesting that devout Sikh Canadians who wear the turban should not have the right to be members of the RCMP because it will interfere with the tradition of the RCMP uniform.

I have noticed in the letters these people have written that they always feel compelled to include in these form letters that: "This is not a prejudiced statement".

Of course it is a prejudiced statement. It is designed to limit access of a specific religious group to the national police force of Canada based on specific characteristics of their religious; either that or it forces them to divest themselves of important aspects of their religion in order to conform with what the balance of the Canadian society would like to see.

In spite of a recommendation from senior officers of the RCMP and in spite of the concerns expressed in this Parliament, it is unfortunate that the Solicitor General has taken so long to make a decision on this issue.

An hon. member: Totally irresponsible.

Mr. Skelly (Comox—Alberni): It is not just irresponsible. It gives people out there in society, people who are members of minority groups, the message that this delay means there is an element of racism in the Government of Canada which gives rise to the delay in making a decision with respect to the opportunity for Sikhs to serve in the RCMP.

There is concern about racism in the government itself. I think that is a legitimate concern and something about which all of us in the this Parliament and this government have to be concerned.

• (1445)

The Minister of State for Multiculturalism said in his presentation that government alone cannot solve the problem of racism, that it has to be done with the co-operation of others. To some extent, that is true. I do not think government alone can solve the problem.

To some extent, this is a cop-out for taking strong and effective action to deal with racism when we perceive it operating in our society. I would like to go back a few years. Mention has been made about racism in the United States, especially racism directed against blacks.

In the 1940s and 1950s blacks were protected under the United States Constitution. They had equality before the law under the U.S. Constitution. In terms of education, blacks were supposed to have the same rights as every other American, and yet blacks did not have the same right to education.

All Americans were entitled to vote at that time and vote for their leaders and presidents. Yet blacks seemed to be deprived of that right to vote and to exercise power because of the way the system enforced the rights of black people in the United States. It was only when the segregation decision was taken by the courts and the United States federal government used the power of its military forces to put black kids into white schools that the changes took place in the United States with respect to equal access to education.

It was only when the federal government of the United States passed laws with respect to voter registration that they enforced the operation of those laws in favour of black citizens. By using armed Federal Bureau of Investigation agents, black people in the United States got the rights that were guaranteed to them under the Constitution and under the fundamental law of the United States.

There is a principle that operates here and that principle is before you can change attitudes, you must change behaviour. Before you change attitudes, you must change behaviour. Education cannot do it alone. Fine sentiments made and expressed in this House cannot do it alone. Before you change attitudes, you have to change behaviour.

Members brought up the issue of the employment equity legislation. I think this employment equity legislation is not anything that we can be proud of in this country. There is absolutely nothing that we can be proud of in terms of this legislation. The annual report of the Employment Equity Act documents the failure of this legislation to serve the very people that it purportedly was designed to serve.

In fact, Madam Speaker, this legislation is designed to be public relations. It is designed to be smoke and mirrors. When you look at the success of this legislation from the point of view of aboriginal people—and I will just take one page—of all the corporations listed under federal jurisdiction on page 81, only a miniscule number conform with the requirements for hiring aboriginal people.

Even the Canadian government's own Crown corporations and instruments, such as Canada Post Corporation, is a failure with respect to the hiring of aboriginal people. Yet it is under the direct control and responsibility of this Parliament and this government.

Canadian Broadcasting Corporation has also been an absolute failure with respect to the hiring of women, aboriginal people, people with disabilities and members of visible minorities. Yet it is under the direct control and responsibility of this government and this Parliament.

There is no effective employment equity legislation in this country. The reason is that it was designed not to be effective because if people are designing legislation to accomplish employment equity, they must design that legislation to have within it the ability to impose sanctions against those who do not obey the law. Not to include such a section in this law is not an error or an omission; it is an invitation to the corporations that come under the federal jurisdiction to practice the biases that this law purports to be eliminating. That is precisely what is happening.

• (1450)

This is not a document designed to decrease prejudice or intolerance in this country. This document in fact increases it because it creates expectations without the ability of the people involved, the people oppressed, to have those expectations fulfilled. If this government does not within a very short period rectify this legislation so that it is designed to eliminate intolerance and prejudice, we are going to have something to say about this government and its commitment to eliminating racism and intolerance. These kinds of things do not happen in a country where the government has a commitment to eliminating intolerance. It is as simple as that.

Until we see some changes in this legislation, we are not going to see changes in the performance of those corporations. Then we are going to have some questions to ask about this government's commitment to eliminating racism and intolerance.

Some members in this debate mentioned the Marshall inquiry that recently reported in Nova Scotia. I think we should all read the report of that Marshall inquiry. It says a great deal about Canada. It says a great deal about Canadians and about the institutions of Canada and how they are racially biased against non-whites in Canada.

I would like to quote a few short sections of the Marshall inquiry. Basically, what the Marshall inquiry says in the very first part of its findings in fact its most important findings, is this: "The fact that Marshall was a native was a factor in his wrongful conviction and imprisonment."

It is the most unbelievable finding in this report. The most important finding in the Marshall inquiry report is the fact that Marshall was a native was a factor in his wrongful conviction and imprisonment.

There is a second section: "That MacIntyre without any evidence to support his conclusions and in the face of evidence to the contrary, had identified Marshall as a prime suspect. The fact that Marshall was a native was

one of the reasons why MacIntyre identified him as the prime suspect."

The judicial system in Canada discriminates against people in Canada because they are of a different colour or a different culture than those of the dominant culture. That is the true finding of the Marshall inquiry.

We really did not need the Marshall inquiry to find this out. All you have to do is read the statistics of native people in prisons in Canada to find out exactly how this country's justice system discriminates against native people.

Let me quote from an article entitled "Locking up Natives in Canada" by Michael Jackson, a professor at the University of British Columbia. He talks about the federal prison system, the system this Parliament and this government has direct responsibility for. Here is what Michael Jackson says: "Ten per cent of the federal prison population is native men; 13 per cent in the women's prison are native women, and yet native people are only 2 per cent of the population."

You cannot argue from the point of view that natives are more criminally oriented, more likely to be involved in crime and more likely to be involved with brushes with the law. The system of justice in Canada is culturally and racially biased against native people and statistics document this over and over again. You do not need the Marshall report. You do not need the justice enquiry that is going on in Manitoba. You do not need the justice inquiry that is going on in Alberta. The statistics document over and over again that Canada is a *de facto* racist society when it comes to the practice of administering injustice against native people. This Parliament and this government have an obligation to do something about that.

• (1455)

In the prairie region natives make up 5 per cent of the total population but 32 per cent of the prison population. We send natives to jail at a rate six times greater than their representation in the population. It is *de facto* evidence that our system of justice and our country are discriminating on a racial basis against native people. This is not a finding that comes out of things like the Marshall inquiry alone. This is a finding that is now coming out of human rights agencies set up by the United Nations.

People are beginning to recognize throughout the world that this Canada of ours, this country that we expressed such great pride in at the opening of this debate, this country of ours has nothing to brag about when it comes to racial equality or equal treatment before the law. It is not only in the justice system where we discriminate against natives.

There is an editorial I would like to refer to called "Our Third World" in the *Edmonton Journal* of January 21, 1990:

> Alberta's treaty Indians suffer tuberculosis at a rate 12 times higher than the provincial average. Add in Métis and non-status Indians and the TB rate in the native community doubles. These 1988 stats follow a long trend of TB rates that run 10 to 20 times higher among natives than among non-natives.

Tuberculosis is essentially a disease of poor people who live in miserable conditions of housing and nutrition and natives suffer from this disease 10 to 20 times more than the general population.

> Natives suffer a higher incidence of skin disease, diabetes, high blood pressure. The death rate from respiratory diseases is two times the Canadian rate. From injury and poisoning four times the Canadian rate. From suicide three times the Canadian rate.
>
> In fact, Indians die at a rate two to four times higher than non-natives in this country at every age up to 54. Their life expectancy is nine years shorter than non-native Canadians, shorter even than the life expectancy in some Central American countries.

This country has an institutionalized system of discrimination on the basis of race against native Indians. We cannot make eloquent statements here about how good Canada is or how good we are going to be unless we come up with some concrete measures in this Parliament to deal with the issue and do something about it. To do something about it, Madam Speaker, you must change behaviour before you change attitudes. You have to change the law, you have to provide sanctions in the law and you have to be tough in the enforcement of that law.

We want to live together in this country with all people of all walks of life of all creeds and colours. But to do it we have to afford the same protection to all that we afford to ourselves. I think out of this debate Parliament should make a strong commitment that it intends to do that very thing.

The Acting Speaker (Mrs. Champagne): It being three o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17) the proceedings of the motion have expired.

On a point of order, the Hon. Member for Sault Ste. Marie.

Mr. Stupich: Madam Speaker, it has been an excellent debate with respect to content and timeliness. The interesting thing is that everyone in the House has spoken in favour of the motion, whether speaking, asking questions or commenting. May I suggest that the House unanimously agree to adopt this resolution?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Champagne): The motion has expired. I have already announced that the time had expired.

Mr. Prud'homme: By unanimous consent we could adopt it.

The Acting Speaker (Mrs. Champagne): The hon. member for Saint–Denis says that by unanimous consent it could be, except that there was not unanimous consent.

[*Translation*]

Accordingly, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, February 5, 1990

The House met at 1 p.m.

Prayers

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 36, the House will now proceed to the consideration of Private Members' Business as listed on today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

OCCUPATIONAL HEALTH AND SAFETY

FUNDING

Mr. Stan Keyes (Hamilton West) moved:

That, in the opinion of this House, the government should consider the advisability of reinstating funding for the Canadian Centre for Occupational Health and Safety.

He said: Mr. Speaker, it is with a great deal of privilege that I rise in this House today on my motion which calls upon Parliament to urge the federal government to reinstate funding for the Canadian Centre for Occupational Health and Safety located in Hamilton, Ontario.

At the outset of this debate I would like to thank the members of the Standing Committee on Elections, Privileges, Procedures and Private Members' Business for allowing this motion to become a votable item. I believe the decision shows not only the strength of this motion but the strength of parliamentary reform as well.

This motion speaks for all Canadians. While the Conservative government slashes through what it sees as the jungle of needless public expense, the Canadian Centre for Occupational Health and Safety, the CCOHS, is headed for disaster. For ten years the federal government has made a wise business decision by investing in the CCOHS.

Through its preventative role, the centre has saved the federal government, Canadians, millions of dollars a year in health care costs.

According to a poll carried out for *The Toronto Star* and CTV, Canadians strongly oppose reductions for, among other things, health and education. However, instead of investing in Canadians, in their health and in their future, the Conservative government is divesting itself of what is rightly its responsibility.

The CCOHS was established by Act of Parliament in 1979, as a national institute concerned with the study, encouragement and co-operative advancement of occupational health and safety. The centre has traditionally provided Canadians and the international community with cost-free, impartial and unbiased information on occupational health and safety matters in both official languages. Through the use of its telephone hotline services, technical publications and on-line computer data bases, people can obtain information from the centre virtually trouble free.

The important and valuable role of the centre is obvious. Occupational hazards rank as the number three cause of death to Canadians, right behind heart disease and cancer. Compared to the U.S., Japan, West Germany and Great Britain, Canada has the highest rate of fatalities due to occupational hazards. In 1987, 894 Canadians died as a result of occupational accidents; 25 million person days were lost as a result of work related accidents and injuries.

The Minister of Labour acknowledged in the House of Commons that work related accidents entail direct and indirect cost to Canadians in the amount of $17.5 billion a year. Considering the dividends to the Canadian economy in preventing such occupational related accidents, Canadians cannot afford to lose such a valuable institution. Clearly, public funding of the centre has illustrated that old axiom, "An ounce of prevention for a pound of cure".

The responsibility of the centre in providing accurate and non-biased information to Canadians is becoming increasingly important. In 1988-1989, the Canadian Centre for Occupational Health and Safety received over 26,000 requests concerning hazardous chemicals. A

significant number of these enquiries was received immediately after the PCB fire in St. Basile le Grand, Quebec, from Canadians concerned about the effects of PCBs and other dangerous chemicals.

To give you an idea of the centre's workload, last year alone the CCOHS provided Canadians and the world with over 350,000 copies of 1,000 different technical publications and over 1,200 Canadian companies connected with the centre's computer over 40,000 times.

However, the fuel which drives the centre, that vast pool of information which it provides may soon dry up. Much of the information which the centre disseminates to the public is provided free of charge by international business, foreign governments and the United Nation's World Health Organization and Environmental Program as well as the International Labour Organization.

Because the centre's core funding was slashed in last year's budget and will be completely withdrawn by April of next year, the centre has already resorted to user fees in order to keep itself afloat. The introduction of user fees across the board has wide ranging implications for both the public and for the benevolent organizations which provide information through the centre.

In order to survive in the long-term, the centre's council of governors has established a business plan which would see the introduction of user fees in virtually every case and would redirect the centre's efforts toward the search for new products and services. There is little doubt that user fees would soon turn a profit for the CCOHS. However, I urge this House to recognize today that those profits will just as soon destroy the credibility of this organization, making its role in the promotion of health and safety of workers virtually useless. In many ways this shift to the profit motive will sound the death-knell of this important national institution.

• (1310)

The problems associated with user fees are not only in relation to the worker but to the various bodies which supply information to the centre. User fees may discourage benevolent organizations from supplying information to the centre. Only a small portion of the centre's data bases are actually developed by the centre itself. Most of the centre's information is derived from a mixture of national and international organizations which have a direct interest in the free flow of information in occupational health and safety matters. Some of these organizations have not yet been informed of this plan by the CCOHS to charge for their information.

One of the centre's contributors, the International Labour Organization, has shown concern that it has not been involved or informed of the desire to introduce user fees for information which, in many cases, is supplied free of charge. In fact, most of the information from which data bases have been created is provided free of charge by the goodwill and commitment of these non-governmental agencies.

The question I would like to address today and which must be asked is what would the willingness of these non-governmental organizations be in providing cost-free information to the centre once they learn that the CCOHS is projected to make millions of dollars from their goodwill and commitment. In addition, the U.S. Congress has questioned the level of involvement which its equivalent, the National Institute for Occupational Health and Safety, should have in providing information to the CCOHS if the centre in turn charges its customers for it.

The implication of user fees is greatest for those whom the centre was first established, the Canadian worker. User fees essentially violate the right of Canadians to access to information on potentially life-threatening situations, free of financial barriers. As the Council of Governors state in their draft business plan:

> The centre must become a commercial organization while operating under its basic mandate of serving workers.

In my opinion the two are not compatible as any reduction in services will, in turn, affect Canadians through a reduction in accessible information. One can only imagine that under a profit-driven business plan it would not be safety that would be the first concern but the edict of the Conservative government itself; the bottom line. The proposed business plan which the Minister of Labour was to receive on January 31 of this year calls for the introduction of new services and projects. Heavy emphasis is placed on the marketing of existing products and services. A portion of the business

plan blatantly exposes the intention of the Conservative government. I will quote from that plan:

> Based on the belief that the centre has the capability of increasing its existing revenues and—new revenue sources, the Minister of Labour announced—that funding to the centre will be—completely eliminated. The centre has been mandated by the minister to develop a business plan that will show how—the centre will achieve self-sufficiency through the sale of products and services.

I believe this statement illustrates the new philosophy being forced upon the centre. There is no mention of finding the proper balance between self-sufficiency and the rights of the worker to know.

I would like to bring to the attention of the House the following section of the business plan which is a case in point regarding the way in which the centre is evolving. Under the section entitled "Strategies" the draft plan states:

> The centre's strategy will be to favour the sale of products as opposed to the delivery of services, because of the revenue generation that can be achieved through products. Once the investment in product development is made, the profit potential is far greater than for services, which require far greater commitment of human resources and generally offer low profit margins.

There you have it, Mr. Speaker.

Mr. Flis: Profits before health.

Mr. Keyes: Exactly. Profits before health. The centre, originally established as an institution to help people and to promote occupational health and safety, will now focus on the bottom line and promote its products. The draft plan goes on to explain that a lucrative market for safety-related products exists and that the centre should focus greater energy and resources on developing products and services for sale.

Other aspects of the business plan include a subscription service on occupational health and safety matters targeted at small and medium sized businesses and to develop new and existing markets for the data base information.

The problem I foresee in relation to this business plan is the direction the CCOHS must take under such a market-driven philosophy. The plan will compromise the centre's mandate to promote occupational health and safety in the workplace in Canada and the physical and mental health of working Canadians.

It is the worker who, in the end result, will be compromised by the centre's drive for new products and new services. Surely the Conservative government must be aware that not everything could or should be privatized, especially with regard to the health and safety of workers.

The CCOHS will not be able to serve the very people it was mandated to reach, if, instead, it must apply its energies to potential buyers and potential suppliers of data bases. Worse, Mr. Speaker, those willing to pay the highest price could find their information and their ideas privileged at the expense of the health and safety of workers.

Workers deserve a more objective, arm's length, voice in the selection and distribution of the information, not on the basis of the highest bidder but on the basis of real concern for health and safety in the workplace.

On top of all this is the fact that for all of the new plans and the charges the centre expects to raise, the figure hidden behind it all is that ever present goods and services tax. Under the proposals in the technical paper the centre would have to charge the GST on all of their products making the cost of communicating with the centre just that much farther out of reach for small businesses and the individual labourer.

I would like to note that the total advertising budget for the GST, even before the tax comes into effect, would pay for the operation of the centre for an entire year. Is this what the government means by deficit reduction or wasteful expense? In essence, the CCOHS of tomorrow will be entirely different from the CCOHS of today. It will be profit-driven. Canadian workers will come second to the centre's obsession with marketing and pricing. It will seek the bottom line. It will become complacent as opposed to being on the leading edge of occupational health and safety measures.

The elimination of public funding will jeopardize the tripartite relationship of the centre. This relationship has been the backbone of the centre. The credibility of the CCOHS depends on the trusting relationship between business, government and labour.

Now that the CCOHS is faced with relying on private financing, labour has stated that it does not want to be part of a new commercial operation concerned with

profit more than safety. As the vice-president of the Canadian Labour Congress stated:

> We are only talking about $10 million a year to provide occupational health and safety to all Canadians. That is the job of a federal government, to protect the citizens of the country. If this plan goes ahead, I do not think we are going to have any choice but to withdraw our support from the centre.

This will mean that user fees will hurt those people the centre was designed to protect. Because of the cost to small companies and workers without unions user fees will discourage inquiries leaving business to provide their employees with safety information.

Many critics have argued that placing the burden on small businesses and labour is scrimping on a false economy. One expert in the occupational health and safety field recently stated:

> The direct savings contributed by the centre could be estimated at more than three times its budget. This centre is already paying for itself hundreds of times over every year. The government now says that due to the national debt, the centre must find alternative financing. It will save $10 million a year by cutting off subsidies to the centre. Simple arithmetic shows that the real cost if the centre closes will probably run into hundreds of millions of dollars a year.

• (1320)

Simple arithmetic also shows that the government could and should pay for the centre's operations by cutting needless expenses elsewhere. For example, the federal Department of Public Works directed the purchase of a facility for a customs and excise training facility even though Customs and excise said that the facility in question did not suit their purposes. The facility, located in the federal riding of the Minister of Indian Affairs and Northern Development, was purchased for $5 million.

As the Auditor General stated in his recent annual report to Parliament:

> In our opinion, the initial contracts did not provide for a realistic evaluation before the decision to proceed. When construction began in 1986, it was to meet needs established in 1976 and not re-examined since then. Although the consultant's report stated the property would be adequate—with some renovations—the cost of renovations has so far been $35 million.

The Auditor General also describes the fact that there are many loopholes existing in the income tax system which the government could close. These loopholes amount to some $350 million in lost revenue every year. For a government that preaches fiscal responsibility, it would be easier to support measures that would save on needless expenses, but not on cost-saving institutions such as the Canadian Centre for Occupational Health and Safety.

In short, the CCOHS needs public support in order to fulfil its mandate. Under the proposed plan Canadian workers would be compromised by the centre's desire for stability and profit.

Canadian workers need adequate information regarding workplace hazards. We know that. The fact remains that if the centre is unable to survive, if workers and small businesses cannot afford to contact the centre regarding workplace hazards, the real loss will be to the Canadian taxpayer and Canadian workers.

So I am asking my colleagues on all sides of this House to seriously consider my proposal urging that the federal government reinstate funding for the Canadian Centre of Occupational Health and Safety.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I want to speak to the motion of my colleague for Hamilton West. I know that he has long had an interest in his community and that he is very interested in the Canadian Centre for Occupational Health and Safety, as he should be. The Canadian Centre for Occupational Health and Safety is a tremendous organization. It has proven itself over the last 10 or 12 years as it has developed an excellent record in the dissemination of important information in the field of health.

The information that the Canadian Centre for Occupational Health and Safety receives, as the member for Hamilton West mentioned, comes from other organizations. However, he forgot to say that the Canadian Centre for Occupational Health and Safety puts that information into a form that Canadian workers and employers can understand it and puts it to use in a very efficient way. The member speaks of this important information and then talks about profit. It will be a long time before there will be profit because even though this is a tripartite government organization the federal government or the taxpayers have been paying almost the full load for the operation of the centre; over $67 million over the last 10 or 12 years. That is a substantial investment.

There are other players, other people at the table in this tripartite organization that governs the centre. The centre does operate autonomously, it makes its own

decisions and it develops without being told what to do by the government.

It has built up a tremendous reputation, as the member for Hamilton West indicated. But there comes a time under good fiscal management when the government and also the board of governors believes that there should be some cost recovery developed into a plan. And the centre has been doing that over the last number of years consistently, albeit slowly. The federal government believes that that should be accelerated to a certain extent and so we have said that the centre should move into more of a cost-recovery mode and it has now developed a plan to look at doing so.

As a result of receiving government funding only—although it had a good reputation and did a good job—I think that a lot of people did not know what the Canadian Centre for Occupational Health and Safety did. There are a lot of school boards and fire departments and so on which did not know. I see the member opposite from northern Ontario. I am sure he knows about it because he was involved in assisting workers.

Were we really spreading the word? As a result of not having to worry about where the funding comes from there may have been a less than an adequate job done on that. The business plan that is just now being developed will have to do an even better job with the Canadian Centre for Occupational Health and Safety by spreading the word and being helpful in a much better way.

The member opposite indicated that NIOSH and other organizations would not continue to give the centre information because it is moving into a cost-recovery mode. He used the word "profit". I use "cost-recovery" because the discussions that the centre has had with those contributory organizations have indicated that it was in a cost-recovery, or pay-for-the-cost, situation. They have no trouble with that at all.

I might be very surprised about what the International Labour Organization thinks about this very important plan. I think the plan is very exciting. It looks at the opportunities for the Canadian Centre for Occupational Health and Safety to spread out, to move. It has been mainly concentrated on the health side, as I think members opposite who are interested know. It will now have the opportunity to move in a much more direct way into the safety side. Members will agree that it has been mainly operating on the health side and not as aggressively and helpfully on the safety side as it perhaps could be. I see that developing under this important business plan that has been brought forward.

We want the centre to carry on and expand. My colleague from Hamilton West mentioned that the centre is going to have to move into new product development. What is wrong with that? I think it is absolutely great that it is going to move into new product development. It will be putting on leadership seminars and conferences, as is proposed in the plan, as well as moving most certainly and directly toward becoming a self-sustaining organization, first, in connection with the CCINFO disc, that tremendous technology which it has that gives so much information to the worker and the employer. It will carry on from there developing new products and getting into conferences and seminars.

• (1330)

The cost projection is nothing tremendous. It looks like a 70 per cent or 80 per cent cost increase over the next few years on the CCINFO disc side. However, as is stated in the business plan, the centre will ensure that certain services will continue to be provided at no charge to clients so as not to impose barriers to access to information by individuals across the country. This will also act as a tool to assist the centre in marketing other products and services.

The person who phones for information will receive that information and get a publication and/or data sent immediately. That is what the minister and the government have committed themselves to.

So I look forward to great things. There is certainly great support for the Canadian Centre for Occupational Health and Safety on the government side. I have visited it a number of times and as the Parliamentary Secretary to the Minister of Labour I have had close contact with this centre since last May. I know it is going to continue and I know the member opposite for Hamilton West wants that to happen too. We will all work together so that this centre can carry on with its good work.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, it is a pleasure for me to rise today in support of the motion put forward by my friend for Hamilton West. The Canadian Centre for Occupational Health and Safety was established in 1978. It was established to supply crucial research and information, which is duplicated nowhere else, to all workers in this great country.

It is very obvious to us on this side of the House that the government has a very blatant plan to privatize the CCOHS. In order to privatize an industry you must have a product to sell. In this case, Mr. Speaker, the product is information, information that relates to the health and safety of all workers across Canada. The information is contained on a computer disc which the government tells us can be sold at a high price. And that is what this is all about, profit line.

This is information which was donated and shared by institutes like NIOHS in the United States. Therefore this government is proposing, not only to sell something that we do not own to begin with but also to increase the price of the service.

I listened with interest to the member opposite when he said that it is not profits, it is cost recovery. That kind of says the something to me—the bottom line. I wonder at times why it is that whenever we talk about health and safety in the workplace we have to say "profits" or "cost recovery" in the same breath. Surely somewhere down the line we have to put the health and the safety of our workers before profits.

The member opposite and the government are saying that employers are paying millions of dollars in contributions to these services. I must point out that workers are paying with their health and their lives. When we can offer a service that will educate them so that they know more about what they are working with and what the ramifications are of working with these products, I think this is more in line with what we really want to offer our workers.

We hear it said that we have done well in the health related issues and now we have to look at the safety related issues. Every time I have talked to someone in the business industry about safety the first thing that is said is that it is the worker's fault, he was not paying attention, or the worker was hung over. It worries me when we talk about safety in that context.

The government has to make a commitment to workers to maintain the CCOHS to ensure that workers and their representatives have free access to this information. If we insist on privatizing this service, which is exactly what we are doing, we are taking that right away from them.

I urge all members of this House to disregard what was said by the other side and support this motion by our friend for Hamilton West.

Mr. Ken Hughes (Macleod): Mr. Speaker, I welcome the chance to speak on this important question today for two reasons. The first is that the Canadian Centre for Occupational Health and Safety is a very important institution in this country and an institution to which this government is fully committed.

The second reason is that the chairman, Maureen Shaw, is a constituent of mine from the beautiful southern Alberta foothills. She established credentials in this field over a period of several years and she now commutes to Hamilton at great personal sacrifice to provide able leadership for the centre in this challenging time.

In the past decade the number of occupational accidents and illnesses in Canada has continued to be a major concern to employers, to workers and to all levels of government. In this period of time we have witnessed an increasing willingness and capacity on the part of organizations of employers, workers and governments to co-operate in efforts to reduce these losses, both in terms of human suffering and economic losses. We must increase our efforts and continue to work together to ensure a safe and healthy working environment for all Canadians.

Today we face enormous challenges in the area of occupational health and safety. Fortunately we are equipped with an information centre that was envisaged some 12 years ago by the three social partners in order to meet the future challenges which are now upon us. I am referring, of course, to the Canadian Centre for Occupational Health and Safety which was created by an act of Parliament in 1978.

Since its formation the CCOHS has worked towards the objective of reducing the number of occupational accidents and illnesses in Canadian workplaces and has become an increasingly important component of this activity throughout Canada. Within its mandate it has

assumed the role of being a national information resource on occupational health and safety matters. The CCOHS gathers, evaluates and distributes occupational health and safety information to all decision-makers; workers, unions, management, governments and professionals in the field.

The CCOHS information and advisory service answers inquiries from any source about workplace health and safety and related matters. It has developed automated databases on occupational health and safety topics which permit direct access by federal-provincial and territorial government agencies, employers and unions from any part of Canada.

• (1340)

The current economy in Canada dictates a critical need to reduce government deficits and to improve productivity and efficiency. The need to compete internationally also highlights and adds impetus to greater productivity and efficiency. All levels of governments in Canada are finding it necessary to restrain some of their services and some of their programs.

My friend opposite, the hon. member for Hamilton West, referred to a CTV-*Toronto Star* poll released just last evening. Unlike my hon. colleague, I have no desire to suggest that we should base all public policy on polling data. However, he will have noted also that a huge majority of Canadians also support cutting money going to Crown corporations. The bottom line is that all sectors in society must tighten the belt.

Concerns for rising costs of Worker's Compensation Board programs and of health care in Canada, and the concurrent concern for improving the health status of Canadians, are focusing attention on health promotion, disease prevention and accident prevention.

Occupational safety and health in Canada is a complex field. It embodies a combination of economic, scientific and ethical issues. The field is further complicated by the fact that it is regulated by 13 different occupational safety and health agencies across the country. The importance of this field in Canada and in other countries is becoming increasingly recognized because of the impact of economic, social, technological and demographic trends in this area of activity. It is also recognized because of the impact of trends related to the working environment and to the health field in general.

The impact that these trends are having on the field of occupational safety and health is also opening many opportunities for the CCOHS in performing its mandate. The rising awareness and understanding of health, occupational and general environmental issues is generating an increasing demand for information on these subject areas.

Perhaps the biggest problem facing people who need information in this field is the fact that there is so much information. There is so much that it is very difficult to find that piece of information which is useful to a particular user when they need it.

The CCINFO is the Canadian centre's computerized information service. It provides fast and user-friendly answers to a wide spectrum of occupational health and safety questions. It is also available on-line, the CCINFO line, through a telecommunications link to the central computer at CCOHS. A telephone link also provides user support as well.

The disc, read-only memory, is for microcomputers. It includes data bases, publications and videotex packages in a new application of current technology that requires only a microcomputer to access a very large volume of information. The set of information discs now comprise three discs; two contain chemical information and a third contains occupational health and safety information.

I would like to give hon. members a better appreciation of the capacity of this innovative product. The computer literate members of the House will know that one single three and a half inch compact disc could contain the entire copy of the departmental estimates tabled in this House last spring. A single compact disc can hold up to 300,000 pages of information. So, the application of this technology to the proceedings of this House could contain *Hansard* and the *Canada Gazette* would also be a very useful source of information for researchers.

Labour Canada, in conjunction with the centre, has developed a special application compact disc containing federal legislation and standards. This disc is currently undergoing operational trials in Labour Canada and after two to three months it will probably be put into full operation. Labour Canada currently is considering broadening the usefulness of this new tool to incorporate

operational program directives on the disc and to explore an application in computer-assisted training.

Other federal departments are also exploiting the use of this innovative product which permits gains in efficiency within their own operations. For example, environmental protection, as we all know, is a major concern to Canadians. The effective implementation of environmental protection measures requires partnership among a number of sectors in the Canadian mosaic. This partnership will help preserve and protect the environment by the co-operative contribution of abilities and knowledge. A joint venture between Environment Canada and the centre includes a joint presentation at the Globe 90 exposition planned for Vancouver this upcoming March and will focus on this unique CCOHS information system and complex chemical information.

A direct indicator of the success of this innovative product of the centre is the peer acclaim for its quality and demand, both domestically and internationally, which demonstrates its utility. Several Ontario universities recently approached the centre to resolve a problem related to management of collections of material safety data sheets for the system in many different locations. The CCINFO database responded to this identified special need. These are just some examples of the kinds of products that can be developed in a new and reinvigorated centre.

Both the Canadian Manufacturers' Association and the Canadian Chemical Producers Association have assisted in the development of the CCINFO database for several years. They have also actively promoted the database among their member firms. This encouragement has included establishing the database as a voluntary central repository of material safety data sheets from manufacturers and suppliers of chemicals and by encouraging their member firms to use the database for such related information.

The CCINFO disc has also recently received accolades from Yale University. Yale's medical library in a detailed review of the disc, called it an information resource that is global in scope.

In addition, as a further demonstration of its wide acceptance and marketability, the centre recently signed an agreement with Geneva-based International Occupational Safety and Health Information Centre, an arm of the ILO, the International Labour Organization. This agreement strongly boosts the centre's ability to market the CCINFO product internationally in Europe, Asia, Africa and Latin America. The centre has excelled in the performance of its mandate and in the information services provided to Canadians at a very low cost.

I wish to assure the House that the centre will continue in its role as a disseminator of occupational health and safety information in Canada. The government will continue to support the centre in its mandate and its role of performing this important service for the benefit of all Canadians. The government is simply asking that other sponsoring partners and the beneficiaries of the centre accept and shoulder their share of the responsibility for funding the centre.

It is a uniquely Canadian institution, created by Canadians to reflect the needs of the country, its industrial milieu and the people of this country. It has been given the task to provide specific occupational health and safety functions and services within a climate of increasing fiscal restraint. The present context of this restraint also requires the creation of a more business-like environment for the efficient management of scarce resources.

I would like to affirm the government's continued commitment to occupational health and safety, and specifically to the work of the CCOHS. This has not changed. The centre has become renowned both internationally and throughout Canada as a dependable source of unbiased and highly professional information. There is no question that the vital task of delivering this information service relating to the health and safety of Canadians in their workplace will continue. I believe it will provide a better service in the future. It will provide a service that targets very real needs.

Mr. Speaker, recognizing your signal—it will provide an effective and efficient service in the future.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, first of all, I would like to commend my colleague for Hamilton West for bringing forward this motion. It shows the insight and the initiative of this particular side of the House in understanding exactly

what the Canadian Centre for Occupational Health and Safety was really put in place to do.

• (1350)

Before we get into the nuts and bolts of the issue, I would like to read to members opposite, who seem to have swallowed the canary in believing everything the hon. member for Sarnia has said as it relates to this centre, because there is one particular problem here. When this centre was created by all-party support, that is, this side and that side and it just so happens we were on the other side at the time. When that took place there were certain individuals who spoke and one of them happened to be the hon. member for Vancouver South, who we all know very well as a respected member of the House. This is what he had to say: "As I understand it the only funds going into the centre come from the federal government". That will only change if there is agreement with the provinces.

The objectives of the centre—and I will read them for you—do not state, as members opposite have referred, that it is simply to send information out to those who request it for a fee. There is a little more to it than this.

The first and most important part of the mandate is to promote health and safety in the workplace and the physical and mental health of working people in Canada and through that, to facilitate consultation and co-operation among federal, provincial and territorial jurisdictions. Further, participation is necessary by labour and management in the establishment and maintenance of high standards of occupational health and safety appropriate to the Canadian situation.

If you take away that particular ability by removing funding from this centre, what you do is completely remove the mandate. That is, it is not possible to carry out the mandate. No member on the other side in this House has had the nerve to say that. Basically, what the CLC has said in their own way is that they cannot continue in their tripartite arrangement if the mandate changes. Once the funding is removed, then basically what has been done is remove the mandate and that is the enhancement of health and safety. It is easy enough to send out a fee. We could start up a company that could very easily do that for Canadians, that is to buy different discs of different issues and different health hazards all across the world and then sell them to people who are interested. That is not the intent of this centre. The intent of this centre was to provide up-to-date unbiased information. It would go to whoever needed it. Access of information was based on the fact that you were Canadian, not that you had a dollar in your pocket to pay for it.

One of the reasons I thought it would be important for me to rise today is that I have taken the liberty of writing every premier and every minister of labour in the country to ask for their opinion of this, whether they thought it was a good idea to change the mandate of the Occupational Health and Safety Centre in Hamilton. I did this to find out if they agreed in essence with the government opposite and if it was nothing but opposition rhetoric that we have disagreed with the change in mandate.

I would just like to read a few into the record. From the letter from the Department of Labour of the great province of Prince Edward Island, I will read a few of the major paragraphs: "This decision will extremely prejudice the delivery of trustworthy and impartial information to individuals, unions, employers and governments which is so critically important in providing safe and healthy workplaces in the nation. The recent proclamation of the Workplace Hazardous Materials Information System, a system that has been heralded throughout many nations of the world as progressive and far-sighted, is now being placed in jeopardy with this financial decision."

We go to the Government of Newfoundland and Labrador which is always willing to give us its advice on different issues. They state to us: "I have previously indicated my support for maintaining the status quo with respect to funding for the Canadian centre. The centre is an important national clearing house of occupational health and safety information and represents a major tangible effort to co-ordinate and harmonize occupational health and safety issues in Canada".

The important part is "harmonize and co-ordinate", not just grabbing information and shipping it out for a fee. That is not what we are talking about here. We are talking about enhancing and improving our workplace hazardous information, our safety in the workplace and that is a continuing process. That is not something that we can just turn off like a tap and say: "It is done. Now we will sell it to you." It continues day after day as new materials are invented and new processes are put in place. Therefore we have to continue to allow the centre

to do its work without the problems of trying to figure out where their next dollar comes from.

My colleague for Sarnia brought up an important aspect in his speech, that there are many different groups out there who know nothing about the Occupational Health and Safety Centre. For this reason, I thought it would be interesting to read comments of other groups that wrote to tell me what they thought of the government's particular move. One comes from a school board that the member said did not know anything about it. This is from the Dryden District Roman Catholic Separate School Board. "At a time when all levels of government are introducing new legislation regarding occupational health and safety, it would seem that this vital centre should receive adequate funding to continue its extremely valuable work. We have found CCOHS to be an excellent centre source of information on occupational health and safety matters and would urge you and your colleagues to reconsider the decision to withdraw its funding".

Again, I thought it was quite interesting when the member for Sarnia said that fire departments do not know what is going on and they have not got a clue about what this centre is all about. I have a letter here from the Kenora Professional Firefighters' Association, which states: "We feel health and safety is of great importance, not only to us, but to many people in the labour force. The occupational health and safety centre has been known during its tenure to expedite information quickly when requested by firefighting operations. This centre is vital for the health and safety of firefighters involved in what has been traditionally called the most dangerous profession, but continues to be needed for the safety of all Canadians who are reliant on the information available on short notice".

Short notice is the important thing here. Do we wait until we send a bill, get the cheque and then send the information? Or do we, in essence, send the information when they need it at that moment? It would be interesting for the members opposite to understand this, the little fire departments do not have the dollars available. Many of these fire departments are volunteer organizations that do not have the ability to pay for this type of information.

The mandate of this particular centre was simply that every single Canadian has the right to free access to health and safety information that relates to their workplace. We have now changed the mandate and I suggest very strongly that members opposite understand that before they vote against my friend's motion to change the approach and put funding back in place which was intended for this centre so we can continue our work as Canadians have done in the past and to be front and centre in the world and to try to make our workplaces safer and better places for us all.

[*Translation*]

Mr. Guy Ricard (Laval): Mr. Speaker, I was listening carefully to the debate so far, and I realized that the hon. member for Hamilton West (Mr. Keyes) was accusing the Conservative Government of wanting to dismantle the Canadian Centre for Occupational Health and Safety.

I would like to remind the House that since the Centre was founded in 1978, the federal government has spent $68 million on its funding, and that two-thirds of that amount was invested by the Conservative Government.

When the hon. member says we are against Canada's occupational health and safety system, I think he is wrong, that he should take a good look at his notes and that his researchers should work a little harder on their statistics.

Mr. Speaker, as we know, the Centre was founded jointly by the provincial governments, the federal government, the territorial governments, employers and the unions, to improve the quality of life and the safety of Canadian workers.

Mr. Speaker, so far, only the federal government has invested in the Centre. When the Minister of Finance brought down the Budget last year, everyone was asked to tighten their belts, and I think we have a right to ask everybody, including organizations, to do their share and try and be self-financing, so that we will no longer have to waste public funds on projects that benefit only a small part of the population.

We must ask everyone to do their share, to participate. Those who receive these services should at least have the decency to shoulder a small part of the financial burden.

Mr. Speaker, I believe my time has expired.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

[*Translation*]

It being two o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

MEECH LAKE ACCORD

Mr Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, not long ago, the Minister of Finance (Mr. Wilson) announced that his government had decided to launch a major advertising campaign, estimated to cost about $9 million, no less, to try and make his GST palatable to public. We all know that this tax, which has been rejected by the vast majority of Canadians and by the Liberal Party of Canada, is pernicious and unfair.

At a time when Canadian unity should be this government's priority and millions of dollars are being spent on GST propaganda, what has this government done and what is it doing to inform Canadians about the crucial importance of Meech Lake?

I urge the government, as an example to the provinces and while there is still time, to act responsibly, to stop hiding its head in the sand, and take concrete action to show Canadians that it wants to see Meech Lake ratified as soon as possible.

* * *

[*English*]

CARIBOO CROSS-COUNTRY SKI MARATHON

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, this past weekend it was my great pleasure to fire the starting shotgun for the Cariboo Cross-Country Ski Marathon at 100 Mile House, British Columbia. Close to 1,000 skiers ranging in age from five to 77 and from as far away as Switzerland and New Zealand took part in the event.

Fort McMurray should be very proud of Greg Inkster who came first in the male category. Prince George's Tracy Bell was the fastest female.

Many others must have taken time out to enjoy the scenery. One of the skiers, who probably had the most fun, proudly crossed the finish line eight and a half hours after the start.

The people of 100 Mile House are to be congratulated for hosting such a successful family-oriented event without the benefit of any government assistance.

On behalf of the organizers of the marathon, the largest of its kind in western Canada, I would like to wish similar success for all those who take part next weekend in the Gatineau 55, the largest ski marathon in Canada.

* * *

SPORTS

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the fourteenth Commonwealth Games concluded on Saturday in Auckland, New Zealand.

Referred to as the friendly games, they are conducted in the true spirit of international sport and friendship. Canadians can be proud of the performance of our athletes who earned a total of 113 medals, 35 of them gold, against the best in the Commonwealth.

While a winning performance is the goal of every athlete, we must continue to support the values of competing fairly and striving to achieve excellence through long hours of training and dedication to the ideals of amateur sport.

The Commonwealth Games in New Zealand were an excellent venue for Canada's athletes to begin a new sports era internationally.

On behalf of this House I would like to congratulate the Canadian team. I know we are all looking forward to the next Commonwealth Games scheduled for Victoria, British Columbia in 1994.

* * *

CANADA POST

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have a message for the minister responsible for Canada Post. It comes as a motion passed last week at

the annual meeting of the Saskatchewan Urban Municipalities Association. That motion reads:

> WHEREAS the Canada Post Corporation is currently establishing retail postal outlets which will unnecessarily duplicate the counter services offered by existing post offices; and
>
> WHEREAS the Canada Post Corporation anticipates that retail postal outlets will be the appropriate vehicle for provision of postal service in the future resulting in the loss of existing post offices;
>
> THEREFORE BE IT RESOLVED that the Saskatchewan Urban Municipalities Association demand that the minister responsible for Canada Post instruct the Canada Post Corporation to immediately halt the establishment of retail postal outlets in Saskatchewan.

I trust the minister is finally getting the message—Canadians want to keep their post offices.

* * *

THE ENVIRONMENT

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, across the country Canadians of all walks of life are becoming increasingly aware of the need to take an active role in reducing the amount of environmentally harmful waste we generate.

It was therefore with great pleasure last Friday that I announced on behalf of the Minister of the Environment that an application forwarded by the Carleton County recycling project would receive funding under the Environmental Partners Fund. The partners fund will contribute $69,000 to a three year, $166,000 project which will see the establishment of a recycling project for glass, aluminum and other metal products, and will reduce the volume of material currently being placed in landfill sites.

I applaud the Clearing House Project, a group of 30 members of the local community who have played a leading role in putting together the application for this project.

I strongly believe that the future success of cleaning up our environment lies with projects such as this and I congratulate the applicants for their initiative in this regard.

BILINGUALISM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, who would have ever thought the council of a city with a French name would outlaw French as one of the two official languages in the city of Sault Ste. Marie.

"From now on," declared Mayor Fratesi and most councillors, "English will be the official language of communication in the Sault." That is nothing new actually, but the decision of Mayor Fratesi has serious repercussions.

First, other municipalities such as Thunder Bay and Niagara Falls are following his questionable lead.

Furthermore, his decision has given defenders of Meech Lake new ammunition: "Sign or Canada will split".

We had a taste of this future when Premier Bourassa assured European investors that if pushed, Quebec would separate while maintaining economic association with Canada.

We believe the French language is as important as English in keeping Canada together. Across the land bilingualism and the respect for both languages in all cultures are the essential preconditions for a united and strong Canada.

* * *

ATLANTIC ECONOMY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, over the past several months Atlantic Canada has been concerned as a result of the closure of CFB Summerside and the closing of the Canso fish processing plant.

All of Atlantic Canada is now relieved and pleased with the recent actions taken by the Minister of Public Works who is also responsible for regional development in Atlantic Canada. The minister, through co-operation with the government of P.E.I., the government of Nova Scotia, and with the co-operation of the private sector has helped keep both of these towns reasonably optimistic about the future.

Summerside has seen announcements by two potato processors which will result in major new facilities

generating close to $80 million of investment and hundreds of jobs. Although not in place yet, an agreement in principle to keep the Canso fish processing plant open is under consideration and will save the way of life for residents of this area.

Atlantic Canadians appreciate the efforts by the minister. In fact, with these very positive developments in the potato and fish industries the hon. minister is respectfully and affectionately becoming known in Atlantic Canada as the minister of fish and chips.

* * *

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise under the provisions of Standing Order 31 to ask members of this government to acknowledge the disaster unfolding in rural Canada. Thousands upon thousands of farmers are being forced off their farms, particularly in Saskatchewan. This results in the service industries also being forced out of business.

This government and its members are closing rural Canada. I ask them to implement a moratorium on all mortgages and interest payments on those mortgages for one year. I ask them to implement immediately a farm-gate price for grains that will reflect their cost of production and a return on investment, management and risk.

I ask them to make a commitment to the producers of Canada that this government will match the subsidies on export shipments by the United States rather than leaving the farmers of this nation to shoulder the load.

Finally, I ask this government to lift its shroud of secrecy, the conspiracy of silence, so that the people of Canada know the disaster that is unfolding across rural Canada.

* * *

THE ENVIRONMENT

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I want to bring to the attention of two of my colleagues on the other side, the Minister of Energy, Mines and Resources and especially the Minister of the Environment, an article that appeared in *The Gazette* of Montreal today regarding an abandoned mine site in Joutel, Quebec.

According to the article, the waste at the Poirier Mine stands five storeys high. It has been accumulating since 1966 and left there when the mine closed in 1975.

What concerns me is the fact that there is a mention that the mine could be reopened in the future by another company and that the mess will not get cleaned up in the meantime.

• (1410)

Since the Quebec government has been trying unsuccessfully to get this site cleaned up since 1980 by the former owner, my hon. colleagues could look into the possibility of setting up through Environment Canada a committee such as the Equity Silver Public Surveillance Committee that exists in British Columbia.

The workers in the mining industry of the region must also live in that region. It is time for this government to show more leadership and not allow mining companies to come in, make their profits and leave the workers high and dry with no jobs and a spoiled environment to boot.

* * *

NATIONAL ENERGY BOARD

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, 10 years ago a Liberal government turned its back on western Canada and launched the destructive National Energy Program which brought the oil industry to its knees.

This government killed that odious program. We are not sure that all the members of the National Energy Board were listening.

The National Energy Board has now turned its attention to gas producers. Last November the board refused to approve four export permits because, it concluded, the contract prices threatened the public interest. In effect, it has assumed the right to determine the price for exports based on a cost-benefit analysis divined from a crystal ball.

Furthermore, it is argued that these decisions fly in the face of both the free trade agreement and the GATT, the General Agreement on Tariffs and Trade. In response to a legitimate protest from gas producers the NEB is reviewing its procedures for approving gas exports.

I strongly encourage it to drop the use of the cost-benefit analysis and to rely on those other elements of the review process which complement the free market. This would allow for the development of a well functioning, competitive market which will let all customers, domestic and export, compete effectively and equitably for gas supplies.

* * *

STATUS OF WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, more evidence that equal status for women is still being thwarted came to the fore last week.

Female members of the Governor General's own footguards were unfairly excluded from participating in the installation of their new commander-in-chief. The commanding officer, who knowingly decided to leave the women out of the ceremonies, had ample opportunity and discretion to include them. He chose not to. One militia spokesperson considered this "traditional" and "logical" because, after all, they are not infantrymen. That is a self-evident statement if I ever heard one. That is exactly the issue.

Why have women been excluded from the infantry? Why are they confined to traditional clerical and administrative roles? The women who protested were told not to bother taking their complaint to the Human Rights Commission. We may all look forward to the day when fairness and justice are so embedded in the values and practices of Canadian society that the commission will not be necessary. Until such institutions as the military abandon outdated attitudes, the Human Rights Commission is all that protects many Canadians against prejudices of the dark ages.

The Governor General is a symbol of our national values, including the equality of all citizens. His installation should have been a joyful occasion for all Canadians, regardless of gender.

* * *

NATIONAL PARKS

Mr. Jim Fulton (Skeena): Mr. Speaker, a vote will be taken at 6 p.m. today on the NDP motion to complete the national parks system by the year 2000 and to implement the Brundtland report recommendations that Canada protect at least 12 per cent of land and marine ecosystems.

The real test of today's vote is whether this Parliament contains a sufficient number of MPs who understand what is at stake. We are the last generation which can make a choice on completing the national parks system. Our parks system is only one-half complete and a supportive vote will help, not hinder, momentum toward the goal of parks completion by the year 2000.

Protecting 12 per cent of land and marine ecosystems is described as the indispensable prerequisite to sustainable development by the Brundtland Commission. Only 2.6 per cent of Canada is fully protected. Another 3.7 per cent is partly protected. To reach the 12 per cent level requires federal leadership and co-operation at every level across Canada and around the globe.

The Prime Minister endorsed the Brundtland report two years ago. Let us hope that today's vote reflects reality. Ninety-six per cent of Canadians support strong action to protect and preserve our wilderness heritage.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I am a Francophone and a Quebecer, and I am helping to build this country, together with my colleagues in the House of Commons. However, while we Francophones say yes to English Canada, while we Quebecers want to enter the Canadian federation, provided it is recognized that Quebec is a distinct society, shots are being fired on all sides: by Jean Chrétien, who couldn't care less whether our country stays together or not, as long as his personal ambition prevails; by a number of provincial Premiers who probably have not realized what the impact will be in dollar and cents if Quebec separates, and now we have municipalities insulting Francophones by banning their language.

What will this lead to, Mr. Speaker? Although I am still confident that Meech Lake will be ratified, I am starting to wonder!

ORAL QUESTION PERIOD

[*English*]

BILINGUALISM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wish to put a question to the Prime Minister.

Bilingualism is an essential element in the fabric of Canada. It is what makes us unique. It is what keeps us united. It is a principle, I believe, worth fighting for.

The Prime Minister is aware, as we all are, that recently that principle is being challenged. I wonder whether he would join me in sponsoring a unanimous resolution of this House in support of the principle of bilingualism and the linguistic duality of Canada. Would he respond in a positive fashion to that suggestion?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I entirely agree with my right hon. friend that the concept of bilingualism is a hallmark of the nation. It is one to be strengthened at every opportunity, which is why this government was honoured to bring in the first amendments in 19 years to the Official Languages Act which strengthened both bilingualism and minority rights across the nation and which, I believe, was supported by all political parties in the House.

The linguistic duality concept is, as my right hon. friend knows, an integral part of the Meech Lake Accord. It was supported by all three party leaders because it, too, strongly enhances the concept of linguistic duality and strengthens bilingualism across the country.

While I have not seen anything that my right hon. friend is talking about, if he is discussing a resolution that talks about bilingualism and a reaffirmation of support for the Meech Lake Accord to be debated and voted upon in this House, I would be delighted to do that.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the spirit of bilingualism is wilting away—and I say this because of the Prime Minister's failure to give me a direct response—because of a lack of federal leadership. There is a lack of federal leadership not only in sponsoring the ratification of the Meech Lake Accord, but also in standing up to linguistic intolerance, whether that be in the English speaking parts of Canada or in the French speaking parts of our country, particularly the sign law in the province of Quebec.

In those circumstances I wonder whether the Prime Minister would outline what specific steps he intends to take as Prime Minister of this country to respond to the unacceptable resolutions at the municipal level in Ontario, resolutions which may well spread through that province and to other parts of the country.

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised that my right hon. friend would raise a question like this and suggest that it is because of a lack of federal leadership.

My recollection is that when Bill 101 was introduced into the Quebec National Assembly and passed, the federal Prime Minister of the day, while he regretted it, refused to invoke the disallowance clause, saying that the matter was something to be resolved by public opinion and by the courts. I had nothing to do with that, nor did my right hon. friend. I am surprised that my right hon. friend would suggest that there is something lacking in terms of federal leadership.

This government proceeded in Saskatchewan and Alberta and in the Province of Quebec because we believe that anything at variance with the promotion of language rights and the protection of minority rights across the country is at variance with the fundamental dimension of this country. That is why we have fought so hard to make sure that the Province of Quebec, which had been left out of the constitutional arrangements in 1981–82, was brought back into the family, so that these matters could be resolved by all Canadians within the constitution.

At all times, be it in Saskatchewan, Alberta or Quebec, I have carried the message. I have fought the fight from Manitoba to Rosemere in favour of the promotion of the protection of minority rights, English speaking in Quebec, French speaking across the country, and the building of a united Canada with tolerance, equality of opportunity, and through instruments such as Bill C–72, a greater protection for linguistic minorities and a greater role for the federal government in promoting that across the country.

These initiatives, Bill C-72, the Meech Lake Accord and so on, all of which have strengthened minority rights, all of which promote bilingualism, were supported by my right hon. friend. I am surprised that today he would reproach me for doing something with which he is in fundamental accord.

Right Hon. John N. Turner (Leader of the Opposition): We asked for the co-operation of the Prime Minister and we have asked for his leadership. We have been treated to a political charade here. The tone of the House is not the tone that I would have expected we could have brought together to deal with linguistic minority rights in this country.

[*Translation*]

Mr. Speaker, I believe Canadians are determined to enforce the protection of linguistic minority rights. As the Premier of Ontario said on the weekend, when those rights are threatened in one part of the country, they are threatened everywhere.

Will the Prime Minister call a meeting with the Ontario and Quebec Premiers and the other provincial Premiers, to ensure that concrete steps are taken to stem the surge of intolerance reflected in recent municipal resolutions against bilingualism?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, like the Leader of the Opposition, I deplore any surge of intolerance, in Ontario or anywhere else in Canada. I think that protecting the rights of linguistic minorities where they are located across Canada is a noble obligation, and an obligation that all Members of this House try to fulfil and support at all times.

To get back to the basic question, the hon. member is asking me for support for bilingualism. Of course my government would support a resolution to that effect. In fact, the present Governor General of Canada, when he was Minister of Justice, tabled the first substantial amendments in 19 years to strengthen bilingualism and the protection of minority rights. In this connection, the hon. member for Vanier is to be commended, since I believe he fully approved this approach which was one of the major components of the federal government's linguistic policy.

That being said, since the hon. member mentioned linguistic duality, that duality is specifically mentioned in the Meech Lake Accord. Considering the Liberal Party's support, through the Leader of the Opposition, for Meech Lake, I would be delighted to have a debate on these issues and to support a resolution in favour of bilingualism that, through this House, would support Meech Lake, which is also a very important document promoting Canada's linguistic duality.

* * *

UNEMPLOYMENT INSURANCE ACT

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Today, several national organizations, including the Conference of Catholic Bishops, the Assembly of First Nations, the anti-poverty coalition and the Social Planning Council of Toronto, expressed their unconditional support for a complete overhaul of Bill C-21, a bill which is extremely hard on thousands of unemployed Canadians.

Since the bill, if it ever had merit, Mr. Speaker, is no longer reasonable and we are all concerned about its economic impact—the disintegration of the regional economies, the real destruction of Canadian manufacturing, increased unemployment and poverty—and since everyone agrees, why does the minister not withdraw her bill immediately?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have no intention of withdrawing this bill because it is in the interests of Canadian workers from coast to coast, including Atlantic Canada.

The reason that it is in their interests is that it does two things: First, it provides them with an opportunity to upgrade their skills during periods of unemployment and to enable them to get more permanent jobs in a new future in a way that they have not been able to before. Second, it is much more sensitive to changes in unemployment rates than the existing system that we have today.

I should think that the hon. member would be speaking in support of a bill that is in the interests of Canadian workers.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, during committee hearings we attempted to speak on behalf of workers and what we got was exactly what people are saying today, that the 84,000 unemployed in the city of Toronto and the hundreds of thousands of

unemployed elsewhere do not agree with the minister. For them, the government's withdrawal of its $2.9 billion participation in unemployment insurance and the reallocation of approximately 15 per cent or $2 billion of income maintenance funds to training is just a trifle less than highway robbery.

I ask the minister again to reconsider her position on Bill C-21 and either accept major changes to the bill, or to withdraw it completely and immediately.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have already said in response to his first question that no, I will not withdraw the bill.

If you look at the people who have come to speak to this bill both in the legislative committee and in the other place, what you see is that people who do disagree with the bill, and there is some honest disagreement, all disagree for totally different different reasons.

We have a balanced approach. The benefits are on the other side. You cannot tell me that young parents in this country are not in favour of this bill. They are in favour of this bill because it will extend the maternity and the parental benefits. You cannot tell me that people over 65 are not in favour of this bill because it gives benefits to them.

Tell me where we are going to find these benefits if we do not revise this act. What we have done is create a situation that is going to be better for workers in terms of the kind of economic future that this country has that gives them a better way to participate.

* * *

BILINGUALISM

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Prime Minister.

The Leader of the Opposition has raised what I feel is a very serious proposition and something that should be considered non-partisan. Canadians everywhere are concerned about the future of this country and the responsibility that we, as national leaders, have for nation building in this country.

I would like to ask the Prime Minister again: Would the Prime Minister support an all-party motion in this House that we accept and promote linguistic minority rights everywhere in Canada, whether that be English in Quebec or French in other provinces?

• (1430)

In my view it is not a matter for debate. I am not suggesting a debate. I would not have thought that it would require a debate.

Will the Prime Minister support a motion that this House support linguistic minority rights everywhere in Canada?

Mr. Bouchard (Roberval): Why don't you support Meech Lake? That is what it does.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, since I have been in public life, either elected or non-elected, I have been a strong and unwavering supporter of the concept of bilingualism and the promotion of minority rights, linguistic and otherwise, across this country.

I believe that this is a fundamental hallmark of the well-being of the nation. I have spoken on this issue. I have gone, in different circumstances, to Winnipeg in 1983-84 when it was not particularly popular, and I have done the same thing in Quebec when it was also not particularly popular. I believe that it is a fundamental to the well-being of the country.

My hon. friend says that she is concerned about the future of the country and asks if I would support a resolution in terms of bilingualism. I will be happy to look at any resolution that promotes some of these fundamentals. My hon. friend says she is concerned about the future of the country. I am very concerned about the future of a country where we have a Constitution without the province of Quebec. That is why we brought in Meech Lake, which is why I hope my hon. friend will support that too.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians are surely looking to this Chamber for leadership on this issue. I do not dispute the Prime Minister's statements that he does support minority rights in Canada. Therefore I am assuming that we will have the support of the Prime Minister if our House leaders meet later this day to form such a motion. I do not dispute the Prime Minister's intentions.

In the same vein, I would also ask the Prime Minister if he has contacted provincial premiers and territorial leaders about this issue, which is becoming a continuing

and very serious issue in Canada this week? We have to take some real leadership in this Chamber.

I would ask the Prime Minister: Has he contacted his colleagues in the provinces and the territories to discuss this issue? Has he called a meeting to discuss this issue, or will he agree to do so?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on the question as to whether I have begun to speak to provincial premiers, the answer is yes.

Mr. Riis: On this issue?

Mr. Mulroney: Yes, on this issue.

My hon. friend expresses concern. This was a position, in terms of the hierarchy of concerns, that the previous Leader of the NDP expressed very eloquently and well on the floor of the House of Commons. He said time and time again and very persuasively that before some other important matters could be addressed we must repair the injustice of 1981–82 and bring Quebec back into the constitutional family.

The Meech Lake Accord, which deals with the fundamental issue of linguistic duality, English speaking minorities in the province of Quebec and French speaking minorities elsewhere, which spells it out very clearly, surely has to be part and parcel of any thought my hon. friend would give to any motion in promotion of bilingualism. So, clearly, if one came forward, I would count very much on her to express support for something which is so important to the province of Quebec and to Canada, namely, support for the Meech Lake Accord and all that it means to French speaking Canadians saying yes to Canada.

Ms. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker.

[*Translation*]

The Prime Minister must rise above all political partisanship. It is a question of national unity.

Why does he not support the suggestion made by the Leader of the Opposition for a unanimous motion of this House today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, neither I nor the Leader of the Opposition made any partisan remark. He asked me a completely legitimate question and I gave him an answer which I hope was suitable. We will have discussions to see whether some resolution could not be devised to promote the interests involved.

The Leader of the Opposition has always spoken and acted in favour of linguistic minorities, and so have I. The Leader of the Opposition has always acted and spoken in favour of the Meech Lake Accord because it will bring Quebec back into the Canadian Constitution. Talking about the problem of linguistic duality, which is mentioned in the Meech Lake Accord, and the problems of minorities, it seems to me that it is extremely difficult to present a resolution today that would ignore the problem of Quebec's exclusion, as in 1981. Nevertheless, it is a vital problem for Quebec, for Acadians, for francophones and for all of Canada.

So I agree with the Leader of the Opposition and perhaps with the Leader of the New Democratic Party that we should find a resolution honouring all our obligations for bilingualism nationally and for the Meech Lake Accord, which finally says yes to Quebec.

* * *

[*English*]

EMPLOYMENT

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a question for the Minister of Employment and Immigration. The government's earlier attempt to tie the variable entrance requirement to the new unemployment insurance bill is backfiring pretty badly, I think she will admit. The public's anger over that issue is focusing not on the Senate, as she had hoped, but on her and on the government.

Will she now undertake to do what she failed to do in December, what she and her predecessors have done every December for the last 11 years? Will she now bring in a variable entry requirement bill?

Hon. Barbara McDougall (Minister of Employment and Immigration): No.

Mr. Simmons: Mr. Speaker, the minister is right in her earlier responses that everybody is against this new bill for a variety of reasons. There are many reasons that I could go into.

In view of the litany of opposition before the Senate committee and in the press and otherwise, will she now relent? Is she now prepared to cut her losses, to cut the government's losses, to heed the pleas of those who are going to be devastated and trampled by this bill and agree to send it back to the drawing board? Withdraw the

bill altogether. That is the sensible thing to do, I say to her.

Mrs. McDougall: Mr. Speaker, let me just say with regard to the hon. member's own province that what has been happening in the other place on this bill is hurting his constituents.

What we are doing with this bill is taking away the penalty for seasonal workers who repeat in the system quite aside from the variable entrance requirement, people who repeat through the unemployment insurance system. That is hurting the people in his riding. It is not just simply the variable entrance requirement. There are benefits to people in his riding that we cannot alter with a variable entrance requirement bill.

He knows that. He knows that more Community Futures are going to help people in his riding and other parts of Newfoundland.

Mr. Simmons: Different issue.

Mrs. McDougall: No, it is not different issue. It is all part of this legislation and part of the Labour Force Development Strategy. It is a package. It is going to work for the people of Newfoundland, as it is going to work for the people of Atlantic Canada. I think it is time that he supported it.

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CENTRAL AMERICA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister. In the speech he gave in the House on the Organization of American States, the Prime Minister committed himself to a new role for Canada in the western hemisphere.

I have recently returned from a trip to El Salvador and, amongst the tragedy of that country, sensed a new desire to move a peace process forward. But it needs the help of other countries.

Will the Prime Minister pledge today that the $100 million committed by his government over a year ago for Central America will not be cut in the next budget, but will be retained and in fact directed to the work of churches and other non-governmental organizations pursuing human rights conditions, pursuing the democratic process and adding to the peace process, so that this country can give a very positive signal to the people of that region that we do care what happens to them?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, given the interest of my hon. friend for the region, he will be pleased to know that yesterday I received a call from the President of Mexico, expressing gratitude to Canada for joining the OAS and, as well, for Canada's leadership on debt relief for Mexico, which he views as a very important instrument and which I think can be replicated in other countries of Latin America. I know my hon. friend would want to know that.

With regard to budgetary considerations, the Minister of Finance, at an appropriate time, will bring forth a budget which I hope will be able to satisfy the requirements and interests of my hon. friend.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I think the Prime Minister recognizes that conflict taking place in places like El Salvador. That is the key to peace in that entire region.

Is he prepared to use his good offices to make a representation to the Bush administration, which is presently looking at its own economic and military aid programs in Central America, and request that all U.S. aid, which is the major support of that country, be contingent upon recognition of human rights and upon the ability to bring the two sides to the table for a consecutive and ongoing negotiation toward a peace process? That kind of aid under that kind of condition would perhaps be the most important thing that could happen. Is the Prime Minister prepared to make that kind of representation to his colleague, the President of the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we give a lot more aid on a per capita basis around the world than does the United States of America. Canada, on a per capita basis, is infinitely ahead of the United States of America, and we do not throw in military aid for the ends of the calculations either. I think the nation has an excellent record in terms of foreign

aid, without strings attached. That is what we propose to continue to do.

The Secretary of State for External Affairs and myself have already spoken to the United States many times in regard to this approach for its foreign aid. The parliamentary committee discussed $100 million in aid to the region. It is our intention to make sure that undertaking is respected.

As the President of Mexico indicated yesterday, through the leadership of the Minister of Finance as chairman of the interim committee of the IMF with his role in Mexico, with the role of the Canadian chartered banks, plus the high per capita contribution of foreign aid, second only to France of the major industrialized nations of the world, Canada has provided a leadership role and will continue to do so.

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UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, there is growing evidence that Canadians will not accept cuts to social programs that would drag our programs down to the U.S. level. During the last election the Minister for International Trade promised Canadians that unemployment insurance would not be touched.

My question is for the Minister of Employment and Immigration. When will she and her government realize that the unemployed cannot be privatized?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first of all there is no suggestion in any way, shape or form that this social program is about harmonization with the United States, which does not even have the kind of program we have.

We have done this in the interests of Canadian workers, in the interests of Canadian training for Canadian workers to face a Canadian future in a global economy. This is good for Canadian workers, good for Canadian industry, good for new parents and good for senior citizens who want to continue to work after the age of 65.

When is the hon. member going to look at what we are trying to do in a positive way? It is for the future of Canada, the future of Canadian workers, not for the past.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the minister has raised exactly my point, that it is not good for Canadian workers.

Will Canada join the United States as the only major western country which does not help fund unemployment insurance?

We are seeing the privatizing of training in this country. We are seeing Canadian workers forced to pay their own training expenses at a time when they can least afford it—when they are out of a job.

When will the minister stop making the unemployed pay for the mistakes of this government?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is not the unemployed who pay premiums. It is people who are employed and it is employers. It is for their own protection in hard times.

The government has committed to be there if the fund goes into deficit, as we have been in the past. That will continue into the future. The entire structure of the program is geared to help Canadian workers prepare for a better future for themselves in a world where people are going to have to train and retrain.

It is still there as a social safety net. We are talking about 10 per cent to 15 per cent of the program. Our own labour force surveys among unemployed people show that they feel that part of the reason they cannot get a job is because they do not have the right training. We are going to fix that.

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PUBLIC WORKS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Public Works.

There is no project that would have such a real tangible, positive economic impact on the entire Atlantic region like the fixed link project to Prince Edward Island. It will require local engineering, design, construction, support boats, labour, materials, and when complete it will attract tourists from all over the world. It will encourage efficient interprovincial trade.

If the report on the environmental review panel due in a few months is positive, will the Department of Public

Works move immediately to proceed with this important project? What is the time frame for construction?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I commend my colleague for his ongoing interest in this very important project. I know many members in this House share the feeling that it would be a very desirable thing for Atlantic Canada.

As soon as the environmental considerations have been fully met, it is our intention to proceed with the project at a time when arrangements have been made and it is feasible to do so.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture.

The farm debt crisis in Saskatchewan is continuing to deteriorate. Since 1985, 10,000 farmers have been served with foreclosure notices. The Farm Credit Corporation now owns some 475,000 acres in Saskatchewan.

Could the minister tell western farmers when he is going to bring in programs to keep farmers on the land rather than have their farms seized by the Farm Credit Corporation?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, just for the record, the hon. member might be interested in being reminded of the fact that when we came into office, as a result of the Liberal policies farm bankruptcies reached an all-time high of 551 in one year. That was in the year 1984. They have been reduced substantially, by at least 50 per cent. That is still too high.

The hon. member has been an ardent watcher of the agricultural policy review process that is being undertaken. I think that this government has truly acknowledged the fact that many of our safety nets and stabilization programs have been put through the supreme test over the course of the last five years because of drought, because of other natural disasters, and because of the low commodity prices. We are presently reviewing all these programs in an attempt to bring about a safety net, stabilization programs and improved crop insurance programs that will assist our farmers.

In the meantime the farm debt review process is working very well. It has handled over 8,000 different applications and on 77 per cent of those occasions there have been satisfactory arrangements made.

All in all there is progress. We recognize the difficulty and the magnitude of the problem, but this government is working very closely with the farming community to try to bring about better policies to provide greater security and greater confidence for the future.

Mr. Maurice Foster (Algoma): Mr. Speaker, I would just point out to the Minister of Agriculture that in 1985 there were some 500 bankruptcies in Saskatchewan. Last year there were 1,106. I should point out that the impact of the farm crisis and farm debt spreads far beyond the farm to small communities. Some 23,000 left Saskatchewan last year.

On December 19, the Farm Credit Corporation in Saskatchewan sent out a notice to all real estate agents in north eastern Saskatchewan offering them a finder's fee of 5 per cent to buy up farmland and put farmers off the land.

Will the Minister of Agriculture explain to farmers why they are hiring people to put farmers off the land rather than bringing in programs to keep farmers on the land?

• (1450)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the hon. member knows very well that under the farm debt review every attempt has been made to keep farmers on the land through short-term lease arrangements, through longer term lease arrangements, through consolidation, and through selling off some lands.

Every conceivable arrangement has been considered and the farm debt review board process has worked very well. This is where the creditors, the farmers, and the farm debt review board sit down together to try to work out the best available plan that can be arrived at. In some cases there is land that is put up for sale and there is land that is taken over by the Farm Credit Corporation.

We are attempting to sell off the land because it is not the intention of this government to hold on to large tracts of land. We are not in the business of owning land.

We are in the business of getting it back into the hands of the farmers, and that is what we intend to do.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the part-time Minister of Agriculture. The minister is aware that American subsidized wheat sales to traditional Canadian wheat markets are a devastating blow to the Canadian wheat farmer.

Will the minister make a commitment to this House today to stand up for the Canadian wheat farmer in the international trading community, to commit his government to matching the U.S. subsidies on wheat dollar for dollar so that the Canadian wheat farmers will be able to survive this year?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, if the hon. member was not a part-time critic over there, he would know that this government over the last five years provided $21.7 billion worth of assistance to the agricultural community and almost $12 billion tow grain and oil seeds farmers.

While he attempts to paint the Americans as the fall guy—and I make no apologies for him—he should also recognize the fact that in 1989 the European community budget for subsidies on cereal grains and oil seeds was almost $10 billion, amounting to $140 Canadian per tonne subsidy on bread wheat, and this year it is about $80 per tonne. There is a price war going on. It is important to note the leadership of the Prime Minister by bringing agriculture to the top of the agenda at the Uruguay Round. We must resolve the problem of trade distorting subsidies that is hurting this country and hurting other medium sized exporters. We are in that process.

I can assure the hon. member and the farmers of Canada that, as we have demonstrated in the past, in the course of pursuing this we will certainly not stand idly by and see our farmers go down the drain.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, what the minister is saying is that there should be one set of trade laws for the Americans and a lesser set for Canadian farmers.

The minister should be aware that there is a real crisis in western Canada. Over 10,000 Saskatchewan farmers are expected to lose their farms this year. Farm income in Saskatchewan is expected to drop 101 per cent, and 90 per cent in Manitoba.

Will the minister make a commitment in this House today to provide the operating capital necessary for Canadian grain farmers to plant their crops for this season so as to stop this agricultural devastation in our agricultural community?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I said precisely the exact opposite. Again, if the member was not a part-time critic, he would know, as I have indicated in the House on many occasions, that we have at the present time a technical committee of assistant deputy ministers of the federal and provincial governments assessing the situation. I should remind him as well, in case he was not aware, that grain prices are about 50 per cent higher this year in the announced initial prices than they were in 1986. It is still too low, but there is some sign that prices are in fact strengthening.

We are examining the situation in terms of the impact of the lower commodity prices, the drought situation, the excessive moisture in some areas and the critical cash flow problems in others. The technical committee of federal and provincial ADMs is assessing this situation. We will have the interim preliminary data sometime later this month.

We hope at that particular time to assess the situation, to look at the application of the existing programs and, if there needs to be further assistance, the federal government and the provinces will come up with a package.

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GOODS AND SERVICES TAX

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is for the Minister of Finance.

Due to the public outcry and the inflationary pressures of the 9 per cent GST, it has been reduced by 2 per cent. It has been reduced on everything except housing where it remains an effective 4.5 per cent, as originally planned. In light of the crisis of affordability of housing, particularly for young families and seniors, and the fact that many families are being driven into poverty by the high cost of housing, why did the minister not reduce the GST on housing by the 2 per cent?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think the hon. member would like to mislead the House. There is a reduction in the GST from 9 per cent to 7 per cent. There is a 2.5 per cent housing rebate. But there are also taxes today on a number of the things that are used to build a house, including building materials, plumbing supplies, rugs, windows and other material, all of which amount to about 4 per cent depending on the community.

When the hon. member says there is a 4.5 per cent tax, he is only telling half the story. The existing tax is around 4 per cent so that there is a small increase of the order of half of one per cent in his community. It may be somewhat lower or somewhat higher in others. I think we have treated the housing industry quite fairly, and we have certainly followed through on the commitment I gave in September 1988.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my supplementary question is also for the Minister of Finance.

There is a crisis in confidence about the government's statements that the GST will not affect affordable housing. The statements in its information pamphlet are pure garbage. The Canadian Home Builders Association and independent tax consultants say that the average price across Canada will increase $3,000; in Toronto $9,000. Housing consultants say that rents will increase by $300 and $400.

Mr. Speaker: Would the hon. member put his question.

Mr. Karpoff: In light of these facts, how can the minister say that it will not drive up the cost of housing?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the hon. member is quite aware, rents are not taxed under the GST. Existing houses are not taxed under the GST. The impact of the 7 per cent tax, less the housing rebate, is about equivalent to the amount of tax that already applies to a house.

I suggest that indicates very clearly we have followed through on our commitment in September 1988 that what we would be doing with the GST would not adversely affect the affordability of housing.

MANUFACTURERS' SALES TAX

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I have a question for the Minister of State for Housing. All members know that the goods and services tax is intended to replace the existing manufacturers' sales tax. According to a recent *Toronto Start* article, it is doubtful that suppliers of building materials will deduct the manufacturers' tax from their prices and replace it with the goods and services tax.

Is the minister aware of this newspaper article? If so, what is he prepared to do to prevent this from happening?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, I am certainly aware of the newspaper article. I am aware of the concerns of people that the existing manufacturers' sales tax will not be taken off many products, particularly with respect to building materials.

The hon. member and all members of the House should be aware that in the past there have actually been reductions in the federal sales tax on building materials and those have been reflected in the prices that have been charged to the public. In this case, with a very substantial reduction in the costs to the suppliers of building materials, that being the federal sales tax component, competition is obviously going to force that down just as it did in the past when there were reductions in the federal sales tax.

• (1500)

In addition to that, the Department of Finance will be putting in place a monitoring office to ensure that all consumers in Canada are quite aware of what prices should be once the manufacturers' sales tax, the federal sales tax, is removed. Also, that will operate as a complaint office once the new GST goes into effect and will be able to focus the spotlight of moral suasion on those people who persist in leaving the tax in place.

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ABORIGINAL PEOPLES

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, over the last couple of years Canadians have been repeatedly shocked to learn that the justice system has failed aboriginal peoples. The Blood inquiry in Alberta, the Harper inquiry in Manitoba and the recent report of the

Marshall inquiry in Nova Scotia confirm the abysmal failings of the provincial justice systems as they affect aboriginal peoples.

I want to ask the Prime Minister whether the federal government, with its overriding constitutional responsibility for aboriginal peoples, will establish a royal commission to examine the Canadian justice system and its tragic impact upon this country's first citizens, the aboriginal peoples.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate my colleague's concern about this issue. I can assure her that the government shares her concern. We are following, with interest, the commissions to which she referred. We have recently received the report of the Marshall commission and we are reviewing it actively at the present time.

I am not suggesting for a minute that a royal commission to examine the justice system is the answer. But I can assure my friend that we have every intention of acting on any suggestions that come up and reviewing them to see if we can improve the system.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, how many more J.J. Harpers and Donald Marshalls, how many more aboriginal victims do we need to have this government take direct action? We need the government to assume and exercise its constitutional responsibility for its first citizens and establish, at the request of the aboriginal community, a royal commission to investigate and resolve this matter.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think I can do no more than reiterate my first answer. This matter is being pursued very, very actively by the government in terms of reviewing the commissions to which my hon. friend refers, the most recent one being the Marshall Commission.

That report is with my officials now and, as I indicated to my hon. friend, we are studying it and we hope to be in a position to make recommendations upon which we can act. That is what I am interested in, acting, not further commissions. I am interested in acting on solutions which have been suggested rather than having another commission.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached hereto.

While I am on my feet, I move:

That the House do now proceed to the Orders of the Day.

* * *

[*Translation*]

POINT OF ORDER

OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on a point of order. During question period I had the impression there was agreement on all sides of the House on the matter of supporting and promoting official languages in this country. Considering the I believe unanimous interest in the House, may I perhaps suggest——

I have here a draft motion, a draft that could be used as the basis for consideration or consultation with members of the government and the New Democratic Party. Perhaps it would be possible to meet and discuss the matter, reach some kind of agreement and perhaps report back with the results so that both Chambers could vote in favour of a motion.

Mr. Speaker, the motion is very simple, and perhaps I could read it: "That the House renew its commitment to protect, support and promote"——

Mr. Speaker: Order, please. I think it would be more appropriate for the hon. member for Ottawa—Vanier (Mr. Gauthier) and perhaps other members to have a discussion or perhaps a meeting with the government, as suggested by the hon. member. However, it is not

appropriate to have a debate now on the terms of this proposal.

Mr. Speaker: The House has heard the terms of the motion of the Minister of Justice (Mr. Lewis). Is it the pleasure of the House to adopt this motion?

Some hon. members: Yes.

Some hon. members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Lewis), which was agreed to on the following division:

(*Division No. 183*)

YEAS

Members

Anderson
Attewell
Belsher
Blackburn (Jonquière)
Bosley
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Corbett
Darling
Desjardins
Dorin
Epp
Ferland
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Hudon
James
Kempling
Larrivée
Leblanc (Longueuil)
MacDonald (Rosedale)
Marin
Masse
Mazankowski
Monteith
Nicholson
Oberle
Plamondon
Pronovost
Reid
Atkinson
Beatty
Bjornson
Blenkarn
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Cole
Côté
Della Noce
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hughes
Johnson
Koury
Layton
Lewis
Malone
Martin (Lincoln)
Mayer
McDermid
Moore
Nowlan
O'Kurley
Porter
Redway
Reimer
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Thacker
Thorkelson
Tremblay (Lotbinière)
Vankoughnet
Vincent
White
Assiniboia)
Worthy—106
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Thompson
Tremblay (Rosemont)
Turner (Halton—Peel)
Vien
Weiner
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)

NAYS

Members

Althouse
Assad
Barrett
Bellemare
Blackburn (Brant)
Butland
Catterall
Dionne
Ferguson
Fontana
Fulton
Gaffney
Gauthier
Hovdebo
Jordan
Keyes
Langan (Mission—Coquitlam)
Laporte
MacWilliam
McCurdy
Mifflin
Nystrom
Pagtakhan
Phinney
Proud
Riis
Rocheleau
Skelly (Comox—Alberni)
Taylor
Volpe
Wood
Young (Beaches—Woodbine)—63
Arseneault
Baker
Bélair
Berger
Boudria
Caccia
Crawford
Duhamel
Flis
Foster
Funk
Gardiner
Hopkins
Hunter
Karpoff
Kilger (Stormont—Dundas)
Langdon (Essex—Windsor)
MacLellan
Manley
McGuire
Nault
Ouellet
Parker
Pickard
Rideout
Robinson
Rompkey
Speller
Vanclief
Wappel
Young (Gloucester)

[*English*]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

[*Translation*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nunatsiaq (Mr. Anawak)—Proposed goods and services tax; the hon. member for Annapolis Valley-Hants (Mr. Nowlan)—Treasury Board; the hon. member for Kootenay East (Mr. Parker)—Cominco.

[*English*]

MOTION TO ADJOURN UNDER S. O. 52

RECOGNITION OF OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, earlier this day—before 10 o'clock as a matter of fact—I gave you notice that I would like to propose, pursuant to Standing Order 52, a motion to adjourn the House for the purpose of discussing a specific and important matter, namely, the deterioration of the situation across the country with regard to the recognition of official languages.

We have had a change of heart—let me put it this way—and during Question Period there was an indication of some possible movement toward a unanimous resolution of the House. I have given copies of my resolution to the House leaders of all the parties. I take it that within an hour or so we will be finding a solution to this motion and that we would not have to ask you today, Mr. Speaker, to rule on an emergency debate.

I take it that I will give notice tomorrow. But I will see how the government and the NDP react to my proposal.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, as much as I would like to allow my hon. friend to leave all that on the record unchallenged, I would like to say that we have now received in writing my hon. friend's suggested motion. Had we had that earlier in the day it could have been given the consideration that we want to give to it. It is not a question of a change of heart on the part of the government, because our determination on this issue has always been there.

We would like to flesh out the motion and have an opportunity to discuss it with my colleagues in Cabinet, and also with the New Democratic Party which will probably want to add something about Meech Lake into the motion. We will get back to the House later.

The Acting Speaker (Mr. Paproski): I would just like to say that once the negotiations have been completed the Chair would love to know. Then we could carry on with this business.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I feel that it is unfortunate that the Minister of Justice felt moved to make those unnecessary comments on a very critical issue.

I just want to say to my hon. colleague for Ottawa—Vanier that we have received the draft of the proposed motion. We are also in the process of circulating a draft motion similar in nature. We think that this is something that ought not to be debated and discussed in the partisan sense that we just heard from the Minister of Justice.

• (1550)

The Acting Speaker (Mr. Paproski): Once negotiations have been completed hon. members could advise the Chair.

I think we should now proceed to orders of the day. When Bill C-62 was last before the House, the hon. member for Calgary West had the floor.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, January 31, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an Act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7569).

Mr. Jim Hawkes (Calgary West): Mr. Speaker, this is the fourth time that I have risen on this debate and been able to get perhaps a sentence out without points of order from the New Democratic Party. They seem determined that Canadians—

Mr. Parker: Mr. Speaker, point of order.

The Acting Speaker (Mr. Paproski): I will recognize the hon. member for Kootenay East on a very short point of order.

Mr. Parker: Mr. Speaker, I would like to have the record cleared up concerning the adjournment debate this evening. It should be the member for Kootenay East and not the member for Kootenay West.

The Acting Speaker (Mr. Paproski): The hon. member for Calgary West has the floor.

Mr. Hawkes: Mr. Speaker, I guess there is nothing more precious about this place we call the Parliament of Canada than our capacity to speak in the Chamber, to listen to each other, to engage in vigorous debate on behalf of democracy and on behalf of good decision-making.

The last couple of weeks I have found particularly disturbing because of the extent to which tactics have been employed in the Chamber that bring the actions of the Chair into question but which, in the final analysis, are dedicated to reducing the possibility for us to engage in active debate.

I guess the best protection for us as a political party charged with the responsibility of governing this nation as we seek to do what is right but not necessarily popular, is that notion of free speech. Our protection lies in the facts and in the truth of the circumstances and the situation. It is what we predict will happen versus what the opposition predict will happen.

There are well over 100 members here today who were not here in 1984. That is when we announced our intention to examine the entire taxation system in this country and, in particular, the income tax system and the consumer taxation system.

We began a dialogue with Canadians back in 1984. We brought out a very extensive discussion paper close to three years ago. It was certainly available in my riding, and I would think in the ridings of all government members. We have made it available. Vigorously we went out into our communities and shared it with Chambers of Commerce, local business people and consumers groups. I am not sure that the members of the opposition did that. I am not sure that they want Canadians to know much about the current method of consumption taxation or about the possibility of proposed changes in relation to consumption taxation.

I am not sure they did because they knew that as we changed things for the better it would be hard for them to get the credit. They simply stood up and complained. A complaint is nice, it is abrupt, it can be colourful. Complaints are easy. Explanation of complex events is difficult.

We went through what I consider to have been the bitterest election campaign in my experience in September, October, and November, 1988. What made it bitter was the fact that members of the opposition and their partisans went out to senior citizen complexes to tell Canadians: "If you pass the free trade deal, your pensions will be gone, your health care will be gone. All of the good things that you value about this country will be gone." That is what they went out and said one and a half years ago. Where did it get them? It got them another term in opposition.

Now they have started the same tactic a little bit earlier. Instead of starting it the last six months before an election, they are trying to start it three years ahead of time. What are they doing?

They are going out to the senior citizens' homes and telling the seniors that they are going to lose their medicare because the government is going to change the taxation system and that they are going to lose their pensions because the taxation system is going to be changed. Canadians have a memory. Canadians do have a bit of common sense. All of these half-truths and misunderstandings that members of the opposition are spreading are going to come back and bite them and choke them by the time the next federal election comes around. They are not true. They are telling Canadians things that are simply not true.

I heard somebody on CBC *Newsworld* the other day. That person had been listening to the opposition say: "Everything in Canada on January 1, 1991 will be 7 per cent more expensive. Get ready for it". I said who is there, other than a very busy person who does not take the time to think, who could make a statement like that about this change? Is there anybody with a modicum of common sense?

It is a bit like this. Let us say that we have to collect 10 cents of tax. Under the current system, let us say we tax glasses and we do not tax pens. Then we have to get 10 cents off the glasses, if we have to have 10 cents, and we are getting nothing off the pen. That is what the manufacturers' sales tax is about.

It takes half the things we buy in this country and puts a tax on them, a tax of 13.5 per cent. It collects $18,000

million that way, on half the things we buy in this country. The opposition comes along and says: "The dirty old government is going to put it on the glasses and the pen". We still have to collect 10 cents. If we are going to collect it on the glasses and the pen, we collect five cents on the pen and five cents on the glasses.

* * *

Then what happens? The pen is five cents more expensive, but the glasses are five cents cheaper.

Some hon. members: Oh, oh!

Mr. Hawkes: Can the opposition understand that? Canadians can. If opposition members would pay a little bit of attention, they would know that we are going to put a tax on twice as many things and we are going to put it on at half as much. Thus half the things Canadians buy in the future will be cheaper and half the things they buy will be more expensive. That is the reality.

How can a 13.5 per cent tax be changed to a 7 per cent tax, a tax which is collected on twice as many things to garner that amount of money, unless half the things we buy in this country are going to be cheaper in the future?

Is it just half? That is where the mathematics get a little more complex. I do not know who is coaching whom, whether it is the member for Calgary East or the Leader of the Official Opposition. Last week we had a lesson in mathematics from the two of them that was identical. Either that is a lucky break or one person on that side—the Leader of the Official Opposition—is coaching the member for Calgary East, or the member for Calgary East is coaching the Leader of the Official Opposition.

When I look around at the Conservative benches I am reminded that once upon a time I wanted to start a business. I had no customers, no machines, no employees, no warehouse, no nothing. It was to be an office coffee business. I went out and made sales and bought machines, employed people, met a payroll and I kept the books. I look at this tax and I say: "Gee, if I still had that business it would help me." I sold a product. I sold a thing. I sold coffee. The GST would help me. It would make the machines I bought cheaper. It would make the coffee pots I bought cheaper. It would make the soap I bought cheaper. All of the things that went into my business, the truck and the gasoline would be cheaper. Therefore, I would have had to borrow less from the bank, pay less interest, and been in better shape.

• (1600)

I look around the Conservative benches and I see that there is somebody who owned a business, there is somebody, there is somebody, there is somebody, and there is somebody. I look over at the NDP and ask: "Is there anybody over there who ever owned a business?"

An hon. member: Yes.

Mr. Hawkes: There is one, and a couple of people who had a farm. Out of forty-some-odd people there they are. They actually employed one or two Canadians, while people on this side of the House employed hundreds and hundreds of Canadians. They had a salary and could go out and buy things.

I look at the Liberals and it is a little more mixed. A lot of them never ran a business. But let me come back to the Leader of the Official Opposition and the member for Calgary East. The one thing that they have in common is that neither one of them ever ran a business. Look back to the Leader of the Official Opposition and his example. We have a product bought from the factory at $100 and we sell it at $300, but we put a 13.5 per cent tax on when it is $100 so the government gets $13.50. The guy sells it for $313.50. Logical! It makes sense. Right? That bad old government is coming along with a 7 per cent tax, but it is on the $300 so that is $21. Right?

I look at people who have run a business. You have figured out your pricing. The little thing that people who have never run a business do not understand—the Leader of the Official Opposition and the member for Calgary East—is that they paid $113.50 and when the margin is 200 per cent that is $340.50. The price went up $40.50, but the government got only $13.50 because $27 went to the money lenders of this country. The price went up $40.50 and only about a third of it ended up in the taxman's hands. The difference, for those who have run a business and know, is that under the new system that only costs $100 and that 200 per cent mark-up means $300. Then you put the tax on. Because it is a rebatable system, you export it, you get every penny of the tax back. You are reducing the costs.

If you reduce the costs it shows up in lower prices. It shows up in more business. It shows up in more jobs. We have been fought in this Chamber over every thing that we have tried to do to help the Canadian economy since September 1984. We came in and we brought in our first

budget. The Liberals and the NDP said it was an absolute catastrophe, it was going to cost this country hundreds of thousands of jobs and the unemployment roles would climb.

It is five years later. In every single province the unemployment rate is lower. There are 1.5 million more Canadians who have a job and pay tax than there were five years ago. These are the parties that stated: "You are going to lose your pensions. You are going to lose your health care if you continue free trade." There are almost 250,000 million more jobs in the first year of free trade. The jobs are better paid.

Did you see how much the average wages in this country climbed in the last 12 months, Mr. Speaker? It is an enormous increase. It runs to almost 9 per cent in some sectors. There are 750,000 people today who were on the poverty rolls when we came into office in 1984 who are not on the poverty rolls now. There are hundreds of thousands of children off the poverty rolls.

This is a government that has had a finance minister, instead of committees, instead of back-benchers, who has tried to consult with the Canadian people time after time to lay out the facts with the Canadian people time after time, and history says we are right.

Do all the senior citizens who are watching this program right now want me or my colleagues to explain in detail every little facet of the GST? Does that make sense? Do people need to know that? Do they need to understand it? I say, no, Mr. Speaker, but we are not afraid of that.

For the better part of a year we have had a hot line which has been advertised in newspapers. If anyone has a question about any little detail, he or she can phone that number free of charge. We are not afraid of the facts. We are not afraid of the details. How many members on the opposite side are telling their constituents to phone the number and get the facts? Or do they say: "Listen to me and my biased householders and my misinformation campaign?" Which is it? Phone the number and get the facts or listen to me and the nonsense I am sending out there?

I say to those senior citizens that they can listen to one party in this Chamber, just one, if they want to understand the future and the truth about the future. That is the party that has been right for six years in a row now.

Mr. Rocheleau: What a joke! What a deception.

Mr. Hawkes: There is a member who came into this House about a year and a half ago. I will bet you he campaigned in senior citizen's complexes, telling them they are going to lose their health care, they are going to lose their pensions.

Mr. Rocheleau: It's coming.

Mr. Hawkes: Now go back there and tell them that they lost their health care and their pensions. Their pensions are bigger today than they were then, and the health care system is in better shape today than it was then. These are scare tactics and Canadians will not be scared.

I do not know what it will take to convince members of the opposition that attempting to fool the Canadian people is a mug's game, a loser's game. Those of you in the Liberal party who were not here back in 1980 to 1984, for example, when your party was in power and finance minister after finance minister went public with an incorrect picture of the state of the economy. In 1984 it was the biggest defeat in the history of your party because consistently your finance minister and your back-benchers went forward with a picture based not on fact but on fiction. Canadians are a people with their feet on the ground, with an awful lot of common sense, and they can tell fact from fiction.

You have won a short-term victory, because you have had a lot of help. You have chambers of commerce that are out fighting on behalf of their members, you have had the Federation of Independent Business, you have had the "Axe the Tax", and many groups that have stated that they will fight this tax on your behalf, including your own parties, and "send me a donation". That is what all those groups have in common. "I will fight, but send me a donation that I can use to fight".

It is not a perfect tax. No one on this side believes that there is any such thing as a perfect tax. But we have an obligation as members of this House to determine whether it is a better tax, whether it is a better system of taxation.

Mr. Speaker, if you cut through all the nonsense, they want to say to Canadians that a 13.5 percent tax is better than a 7 per cent tax. That is a hard sell. Canadians, they want you to believe that a 13.5 per cent tax is better than 7 per cent. They want you to believe, Mr. Speaker, that taxing a domestic business heavier than an import business is good for jobs. Raising the price on things we make in Canada while at the same time not raising the price on things we import is somehow going to produce better jobs and more jobs for Canadians. That is what they want you to believe, Canadians. I think that is a hard sell. In 1924 we were the first country in the world to bring in the tax. A lot of countries copied us. Every single one of them has got rid of that tax. In 65 years people copied us coming in. They found out the problem with it and stopped.

• (1610)

Popularity is not what governing is about. It is doing what is right, what is sensible. Using common sense on behalf of Canadian people is what governing is all about. They will and they have convinced the Canadian people in the short term that there is something wrong. Over the long term Canadians will discover there is something right about what we are doing, that it is logical, that it makes sense, that it is good for the economy and good for the social welfare system. When they find that out, they will not forget who was lying to them and those who lied to them will get their just desserts the same way they did in November 1988.

Mr. Althouse: I have two questions for the hon. member who spent some time leaving the impression that he was speaking the undying truth and everyone on this side of the Chamber was lying. There are two items that I want to raise with the member. I note that in his party's outlook in 1984–85 when the Minister of Finance first began his taxation and expenditure program, he made the statement that if we continued to pursue the Liberal line of spending and taxation that within five years the deficit would have doubled. In fact, we have instead pursued a Conservative line of expenditures and taxation and the deficit has more than doubled.

Would he tell us what went wrong. Why did they point their fingers at the Liberals and then pursue an even more onerous proposition? Perhaps he could explain that, since he is in a truth-telling mood.

Also, while he is in a truth-telling mood, would he please try to explain to the people of Canada, since the people in the House know what the answer is, why he attempted to mislead the people of Canada with his statements over the weekend about the cost of maintaining the House of Commons. He left the impression that when the House was sitting it costs $1 million a day and leaves the obviously wrong conclusion that if the House was not sitting the cost would be zero. I have looked back at a few of the records. I remember noting a year ago that the House did not sit for the month of February. It sat for the whole of the month of February the year before. The costs for the year we did not sit were actually considerably higher than when we were sitting.

I submit that the hon. Whip of the government side knows that the cost of the House of Commons goes on and varies barely a tiddle or a jot whether we sit or we do not sit. It is a fixed cost and not much can be done about it. The restaurants may cost a little less when we are not sitting, but there is no business coming through to offset their costs either. In fact, the practice and the facts are that when we do not sit, it has been costing us more than when we do sit. Why did he try to leave the false impression that somehow by tying up time in the House we are costing $1 million a day when he knows better?

Mr. Hawkes: Mr. Speaker, when the member gets a chance to look at the "blues", I think he is going to be a bit embarrassed about where he started. The deficit was $38 billion plus—

Mr. Althouse: It was $150 billion.

Mr. Hawkes: Now he is talking about something different. He is certainly not talking about the deficit. He is talking about the accumulated debt over the last five years. That is a different figure. Maybe that is the way the NDP does it. They use one set of words when they are talking about something else and you are supposed to understand that when they talk about the deficit they do not mean the deficit, they mean health care; or when they talk about the deficit they do not mean deficit, they mean pensions. What are we supposed to do? Are we supposed to listen or are we not supposed to listen?

Mr. Althouse: The numbers are $150 billion and $350 billion.

Mr. Hawkes: Now he is into accumulated debt. Let me explain deficit first of all, Mr. Speaker. With inflation and a bigger country and all of these things in between, it is 25 per cent less than it was when we came into office. So, it has gone in the direction we promised.

Mr. Althouse: It went from $30 billion to $28 billion and back up.

Mr. Hawkes: The Leader of the Official Opposition with a minority government took Canada from a position of basically a balanced budget, where we were not using any money for payment on interest, and into big debts.

They used that minority government period to create the big debt that grew and grew. When we came into office the government of the day, supported in large part by the New Democratic Party, was borrowing $16,000 million for programs, plus another $22 million for interest payments.

Well, it is five years later and we have a surplus. We have changed. We have cut to the point where on programs we do not borrow a dime. On a net basis over five years, we have not. We, in fact have $9 billion that goes to pay the interest on the public debt. The interest payment this year is over $38 billion, the deficit is only $30 billion. Where does the money come from if it does not come from a surplus on programs? Members opposite may not quite comprehend all of that because there is a lot of technical vocabulary in that, a difference between the words debt and deficit and surplus, and so on.

We have created 1.5 million jobs with our economic program. If we had listened to the Leader of the NDP, he was predicting a job loss of 184,000, let us say a couple of hundred thousand each year. That would be a million more unemployed, instead of 1.5 million working. That is a 2.5 million turn around. That is 10 per cent of the Canadian population, the difference between their prediction and our prediction and what it would do. That is why so many people are off the poverty rolls. That is why so many more people have a job. That is why the average wage is up so much. That is why the standard of living is up so much. That is why the productivity of the Canadian economy is up so much. To the Canadian people, I say: "follow our advice".

With their behaviour in the last two weeks they have been trying to shut down Parliament. If they succeeded, they would believe that we should not have a democracy. Some of the people who provided some of the ideological thought for their party believed that a democracy really was antithetical to progress and good things. The member from Saskatchewan agrees that democracy is antithetical. If we closed this place up it would cost $210 million. We might have to spend $10 million to mothball some things to keep them in reasonable shape, but we could save $200 million. That is close to $2 million a sitting day, not $1 million. I thought it was a generous underestimate of what this place costs to simply say $1 million.

Mr. Althouse: Why did it cost more when we weren't sitting last February?

Mr. Hawkes: In any event, democracy, the chance for freedom of speech, the chance to debate is really priceless. To lose that is the real tragedy. Their behaviour in that regard of trying to stifle debate is really what I am angry about. I would hope most members of this Chamber and most Canadians would be angry about that attempt to stifle debate in this Chamber.

The Acting Speaker (Mr. Paproski): There are two minutes left. I recognize the hon. member for Parkdale—High Park.

• (1620)

Mr. Flis: Mr. Speaker, I would give an A to the hon. member as his supervisor if he was a teacher making the presentation, but I would give him zero for the content of his presentation. In his preamble he talked about dialogue and how his party went across the country and listened to all Canadians, et cetera. I remind him that the definition of dialogue is two-way communication, not one way. His party listens but does not hear what is said. This is why over 70 per cent of the people are against this GST even though it was reduced from 9 per cent to 7 per cent. I would like to hear his comment on that.

In his example, he held up the glasses and the pen and mentioned how the manufacturers sales tax on the glasses was 13 per cent but nothing on the pen, again deceiving the public. What he did not tell the public was yes, 13 per cent on $50 glasses at the wholesale price. But when the glasses are sold for $100 the consumer is paying $7 tax. If they are sold for $150 the consumer is paying

$10.50 in tax and not $6.50 in tax. He also forgot to tell Canadians that that pen had no tax on it and now it is going up to 7 per cent. Again, there is this kind of deception.

Mr. Hawkes: Mr. Speaker, sooner or later Gallup is going to get very clever and will ask a basic question. Do Canadians prefer a tax at 13.5 per cent or 7 per cent. Thirteen and a half or seven? I suspect they will come down on the side of 7 per cent. It depends on the question you ask.

Mr. Gauthier: That is not true. Don't start comparing apples and oranges.

Mr. Hawkes: I think the hon. member who just spoke—I was not sure if he ever owned a business. Now that he has opened his mouth, I am sure he never has. I am sure he never has sold a product and has never been responsible for the utilization of the concept of margin.

You start with what you pay and in the current system it would be 13.5 per cent on $50 and that is $56.75. That is what you start with and base your margin on. If you are doing a margin of 100 per cent, you are up to $113 instead of $107. He just handed me the example of why you would pay more under the current system than you would pay under the next system. I suggest to the member that he talk to the people in his riding who own the shoe store, the electronic store and the novelty store. Ask them how they price. Don't sit in your ivory tower.

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has expired. The Hon. Member for Ottawa—Vanier on a point of order.

Mr. Gauthier: The Liberals, in the interest of getting more members on and having meaningful debate, would ask the House to concede to us the opportunity of exchanging our 20-minute slot for two 10-minute speeches followed by the usual five-minute question and comments, starting with the Hon. Member for Essex—Kent who will use his 10 minutes plus five. Then, I will go to the member for Restigouche—Chalour.

The Acting Speaker (Mr. Paproski): Is there agreement?

Mr. Hawkes: The government side has no problem with that concept.

Mr. Nystrom: Agreed.

The Acting Speaker (Mr. Paproski): Agreed.

Ms. Langan: Mr. Speaker, in view of the fact that this is the International Year of Literacy, I would ask the government Whip in his request that Canadians telephone the telephone line to get information on the GST, if he would provide that phone number for those Canadians who cannot read the ads in the paper, for those who are watching television as well for those who cannot afford newspapers, so they can indeed get information on the goods and services tax.

Mr. Hawkes: Mr. Speaker, in English, the number is 1-800-267-6620.

[*Translation*]

In French, that's 1-800-267-6440. For telecommunications—

[*English*]

For the hearing impaired, it would be 1-800-267-6650.

The Acting Speaker (Mr. Paproski): It is not a point of order, but it is informative.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker—

Mr. Gauthier: Propaganda.

Mr. Pickard: More propaganda from the government. That is true.

I would state right now that the Liberal party has been the party that has led the fight against the GST.

Some hon. members: Hear, hear!

Mr. Pickard: There has been absolutely no question that since the introduction of this measure until today, and certainly on in the future the Liberal party will be the party that opposes this tax.

We have listened to people all across Canada. According to some surveys, eighty per cent of the people in Canada have opposed this tax, and seventy per cent in other surveys. Eight out of ten people are opposed to this tax, yet the government says it is listening to the Canadian people.

I did some surveys in my riding. In September, 80 per cent of the people in my riding who responded to the survey said they opposed the tax. Just recently, in December, the result of another survey I sent out was quite astounding. Out of over 1,000 responses that I received, two were in favour, and the rest were opposed. As time goes on a much greater number of people are opposed, at least in southwestern Ontario.

Why has the Minister of Finance not listened to Canadians? Why has the Department of Finance not listened to Canadians? Why has the Conservative government not listened to Canadians?

The government's track record is one of not listening. It's track record really speaks for itself because it does not see this to be a problem. It has stated right along that the Liberals left a legacy of high debt, of high interest payments. We should look very carefully at the government's record and try to examine what, in fact, really did happen. When this government took power in 1984, the debt was approximately $170 billion. Today, the debt is $350 billion. It has doubled the debt in five short years.

What about taxes? What about the gross income of this country, federally, in taxes? When the government took power in 1984, taxes through the federal government sources were $70 billion. Today, the taxes bring in $120 billion. It has increased taxes by $50 billion in this country, over 70 per cent.

Canadians are upset because in five years our taxes have gone up over 70 per cent. The debt has been doubled. The government talks about the debt charges. When the government took office, the debt charges were $22 billion. Today, they are $40 billion. It doubled the cost of paying those charges as well.

The government's track record, financially, is a fiasco. It doubled what Canada owes. It doubled the cost of paying that debt and it increased taxes over 70 per cent. Those are the simple facts that it does not talk about.

The government talks about how it has dealt with the deficit. The average Canadian knows that it has not really changed the deficit significantly. Thirty billion dollars a year every year for five years is its record. That is not doing a good job.

• (1630)

Let us look at what the chamber of commerce said in the pre-budget report to the government, to the Minister of Finance and to the Department of Finance. The chamber of commerce stated very clearly that it expected the government in 1984 to follow a careful plan in order to deal with debt, but that the government had shown no leadership in its five years in office. This is a strong indictment of what the government has done.

We must remember that this government has been in power during times when interest rates have been low, the lowest in the decade. The benefit of a growing economy has been there and good times for Canada have been there, but the government showed no leadership in dealing with the finances of this country.

The government has introduced 31 tax increases in Canada in its five years. This leads us to tax increase number 32, the GST. That seems to me a pretty poor direction in which to be heading.

Canadians are upset with being told they are doing well when the reality is that our debt is growing and the only method used to deal with the problem is to increase taxes again. We have to look at where we are going.

According to the government's statements over the past year, one finds that the government has said that taxes should be simple, at least simpler than existing taxes if we are to have good reform. The Minister of Finance said that the tax must be fair to all Canadians, visible, integrated with the provincial taxes which exist and revenue neutral.

If we examine this point, we see very clearly that the five tenets that were put forth about tax reform are in no way lived up to by this government. How can that tax program be more visible? The Minister of Finance said the other day that it would be more visible than the provincial sales tax. The only place in this country that it will be more visible is Alberta. It will not be more visible in Ontario because the tax is displayed on our receipts. We also see it every day when we go to the store.

Will it be fair? I cannot see the fairness of that tax either, because when we examine it very carefully we see that we are going to have an army of 4,000 people trying to collect the tax. If the Minister of Finance were serious about bringing in tax reform that would have followed those tenets, he would have listened very carefully to some of the comments made by the Auditor General. He would have closed loopholes and lowered interest rates. He would have dealt with the debt and the deficit in other ways that would have been more reasonable.

We listen to Canadians across this country who are quite upset about what is going on in the country. The Progressive Conservatives were the authors of the free trade agreement. They authored 31 tax hikes. They authored the GST and they have authored pessimistic

viewpoints across this country through each of those measures.

Canadians are upset with the types of legislation that have come through and that is being clearly reflected in the polls across Canada today. The Conservatives continue to author pain for Canadians through the legislation they bring forward, without giving a reasonable answer to the problems which exist, not even by following their own tenets in this case.

Mr. Malone: Mr. Speaker, I wonder if the hon. member for Essex—Kent would indicate whether he supports the manufacturers' sales tax.

Mr. Pickard: Mr. Speaker, the Liberal Party has suggested that there should be tax reform in this country. We are not questioning the fact that there needs to be tax reform. We are not questioning the fact that we must look at what is happening in the country, but we are questioning 31 tax increases.

We are questioning doubling the debt in this country. We are questioning the authors from the Conservative government who have created a real problem for all Canadians. We are questioning statements like those coming from the chamber of commerce that there is no leadership on the government side. We are questioning what will happen to small business when John Bulloch talks about the "super killer of jobs." We are questioning the government when Jean Woodsworth comes forward and says that no seniors support the GST.

We are listening to statements coming from across Canada and giving them back to the government so it can think about what it is doing.

Ms. Langan: Mr. Speaker, first I would like to thank the government Whip for having provided the phone number. I think that Canadians who phone that number will be sorely disappointed to discover that information coming from that line is less than useful. Those are my comments.

My question is to the hon. member who just spoke. We are currently debating a motion that the GST bill not be read now but be read in six months' time. It is a Liberal motion. In six months' time the Liberal Party will have a new leader. We have already seen its leadership candidates back off any opposition to the trade deal. We have seen its one opponent to the trade deal forced off the race by its corporate comptrollers. Will the Liberal Party still be opposed to the GST in six months' time?

Mr. Pickard: Mr. Speaker, we have clearly been following a line that has been consistent across this country as far as the GST goes. Unlike certain situations that I have seen happen with the party that is questioning where the Liberal Party is going, we do not change our minds at the drop of a hat or at the pinning of a microphone. We continue with solid, stable policies that give what Canadians expect: consistency in a party that is reasonably listening to all Canadians. It is important to realize that when a group is challenged we have to look at who is doing the challenging. I have some questions about that question coming from that party.

Mr. Malone: Mr. Speaker, I would like to ask the hon. member for Essex—Kent: Does he support the manufacturers' sales tax?

Mr. Pickard: Mr. Speaker, the manufacturers' sales tax is a bad tax. But, you do not replace it with a worse tax, and that is what you are trying to do. The Canadian public is saying: "Don't do that." Not only do Canadians recognize the poor quality of the manufacturers' sales tax, they recognize that the legislation you are bringing in is worse.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I would like to salute the hon. member opposite. It is refreshing and certainly a change to see a member of the Liberal Party actually professing concern about debt. This is certainly the first time in my lifetime that I have heard such a thing. I can scarcely believe my ears.

I have heard the hon. member offer 10 minutes of criticism of the GST proposal. He has agreed that there is something wrong with the existing manufacturers' sales tax. I believe I have heard the hon. member and his party oppose every single spending cut proposed by this administration. I have not seen him dancing with joy over VIA or the armed forces bases, over taxing back pension, family allowances and so on. At the same time he is criticizing all of the tax increases.

• (1640)

The question I want to ask is simple. Recognizing that we have a debt problem, at the same time criticizing every attempt to reduce spending and at the same time criticizing every tax increase, how would the hon. mem-

ber propose to deal with the debt and the deficit problem?

The Acting Speaker (Mr. Paproski): Does the hon. member have a short answer for that?

Mr. Pickard: Mr. Speaker, I am going to give a short answer. This is the first time that my hon. colleague who brought the point forward has been concerned about the debt, and that seems to be inconsistent with what has been going on. The Liberal Party has been very concerned about the debt. It is concerned about the deficit.

The Conservative Party has run a deficit in good times, during years of low interest rates and years of economic growth and expansion, and now it has developed a problem. It should have followed its plans earlier, as stated by the chamber of commerce. The point is not to sit down and slice up this, that and the other thing. It is to look at the whole budget and see what is happening.

In addition you have to come out with some reasonable reform that follows the tenets you put forward a long time ago, and that the Conservative Party is not doing.

The Acting Speaker (Mr. Paproski): The hon. member for Restigouche—Chaleur has the floor for 10 minutes, plus 5 minutes for questions and comments.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, the new goods and services tax unveiled by the federal government will be the most substantial tax levied on Canadians since the beginning of our history.

Actually, this tax has has nothing positive to offer. It is complex, regressive, inflationary and a prospective administrative nightmare for companies and businesses across the country.

The Conservative GST will hit many essential services purchased by average citizens. In fact, only basic groceries, prescription drugs and medical devices will be fully exempted. The Minister of Finance (Mr. Wilson) also told us that a number of essential services would also be exempted, which does not mean they will not be affected by the new tax.

For instance, a so-called exempt day care centre will not charge parents the GST directly. However, it will have to pay the GST on all purchases of books, equipment and so forth. It will therefore have to charge more for its services to compensate for the extra cost. As you see, in spite of the so-called exemption, the GST will affect the price of day care services, and the consumer ends up footing the bill.

The burden on Canadians will be endless. From now on, taxable items will include haircuts, funerals, vending machine sales, shoes, restaurant meals but not food products purchased in grocery stores, car repairs, plane tickets, clothes, stamps and items that average citizens purchase every day.

Mr. Speaker, there is one rather interesting item in all this mess. During the last election campaign, the Minister of Finance promised all Canadians across the country that he would not introduce a goods and services tax without the co-operation of the provinces. In fact, he solemnly swore across this country, during that same campaign, that if he did introduce a goods and services tax, it would not increase the government's revenue. He swore that if he introduced a GST, it would not be inflationary and that it would be visible.

Empty promises! He reneged on practically all his promises about the GST.

We can certainly not accuse the Minister of Finance of being consistent.

This was the minister who said that the manufacturers' sales tax was quietly killing jobs. Nevertheless, he increased that same tax four times, raising it from 9 per cent to 10, 11, 12 and finally 13.5 per cent.

In 1984, the Minister of Finance promised Canadians that he would not increase taxes a single cent. Since he and his government took power, they raised them 31 times. It is absolutely incredible.

Although this tax will go from 9 to 7 per cent, the principle remains the same. It is completely contrary to the basic equity of a progressive tax system that takes money from people based on their income.

This tax hits everyone on all purchases and all services. It is not a discretionary tax. No one can go without buying food. People have to buy clothes for their children. Many services are absolutely essential, whether for

a pensioner or a family trying to make ends meet. They still have to buy things, so the principle remains.

It is the principle of taking the most from those who have the least, because they are the ones in society who are least able to be heard. They struggle every day to earn their living: workers on low and moderate incomes.

The fraudulent part of all this is that the minister hopes the headlines will say that he has reduced the tax from 9 to 7 per cent. In reality, all the revenue he gave up by doing so has been made up for by other taxes. In other words, the minister is pulling the wool over people's eyes. There is no tax reduction. I want to tell you that. He has simply transferred the burden to the middle class, the disadvantaged regions, pensioners and families receiving allowances.

When the minister announced that the GST would go from 9 to 7 per cent, he admitted that he had lost all control over the economy and the deficit, despite what he says. This is a minister who has doubled the public debt, that is, the total debt which this country has accumulated since Confederation, in only five years. It went from $170 billion to $350 billion in spite of all the tax increases in the last four or five years. In constant dollars, Canadian families are paying 30 per cent more in taxes than when the minister took office.

Obviously, the minister and his government are not to be trusted. They tell us that the GST will be 7 per cent, but what guarantee do we have that the Minister of Finance will not raise it? In fact, he recently refused to make a formal commitment not to raise the rate from 7 per cent in the future. Since the tax is invisible, the government can increase it more easily, which is what has happened abroad.

[*English*]

From the beginning the Minister of Finance has withheld the truth concerning the GST from Canadians. That minister has no more credibility. That minister has lost the confidence of Canadians from Vancouver to St. John's. Virtually every promise the minister has made concerning the GST has been broken.

For example, he promised that it would be revenue neutral. Is it revenue neutral? No, it is not. He promised that it would be visible. Is it visible? It may be. It may not be. We are not sure. He promised that it would be simple. It certainly is not. The Minister of Finance promised that small businesses would be adequately compensated for implementing the GST and that this tax would be fair to middle and low income Canadians. More broken promises, Mr. Speaker.

Finally, he promised to remove surtaxes on personal income as part of tax reform. Instead he has made them permanent. As an Atlantic Canadian I am particularly distressed that the GST will shift the tax burden from central Canada to other regions. The evidence presented to the finance committee clearly confirms that the GST will penalize regions for being located far away from the large consumer markets and manufacturing centres in central Canada.

• (1650)

Despite strong evidence that the GST will create greater regional disparities within Canada, there is no indication from either the government or the Conservative members of the finance committee that they either understand this shift or care about it.

In conclusion, I would like to say that the government's attempt at imposing this tax on the people of Canada proves one thing beyond all doubt. It proves that the government has lost control of the economy. Despite all the rhetoric concerning the deficit and the debt, this government has lost control of our country's finances. The finance minister has doubled the total public debt of this country, which is to say the cumulative debt since Confederation. He has doubled it in five years from $170 billion to $350 billion despite the greatest tax increases witnessed in Canadian history. He has imposed up to 31 tax increases. Canadians have had enough.

The Conservative goods and services tax proposal is seriously flawed and must be scrapped. Moreover, the federal government must immediately begin consultations with Canadians and provincial governments on the creation of a fair and integrated reform of the entire tax system. I say to you, Mr. Speaker, to all members in the House and to the Canadian public that it is time to go back to the drawing board. Let's scrap this tax.

Mr. Funk: Mr. Speaker, I was interested to hear some of the member's comments about the effect of the proposed goods and services tax. Many of those are comments that I have heard from my own constituents. Around 30,000 people left the province of Saskatchewan

last year because of the lack of business opportunities and the lack of cash income on farms, the international trade situation being what it is.

The business community there says that the high interest rates have become chronic and represent a financial grab by central Canada with the money draining out of the business community of that region into central Canada. In addition, they see this tax as being not only a pain in the neck that they do not need at a time when business is very tough, but as another decrease in the amount of money available in the small towns and remote regions of this community.

Is that the way the hon. member sees this tax as well?

Mr. Arseneault: Mr. Speaker, I thank the hon. member for his comments. I think he summarized it quite well. The government's interest rate policy is in place to help alleviate the situation in central Canada, especially southern Ontario where they have a very hot, inflationist economy. I think the outer regions—western Canada, eastern Canada and the north—are suffering because of that.

It is about time the government has a look at those types of policies along with this tax, because I am told that if the interest rate is lowered by one point the government would save $1.6 billion. The government talks about saving. It cuts VIA Rail because it wanted to save $500 million. Why can the government not cut the interest rate? It says it is not that simple. I say that we should look at that a little more. If we do that along with a number of other new economic policies, I think we can do it.

As far as the tax itself, it is certainly going to cause some major problems. We talk about it being very regressive. It is certainly a regressive tax. Possibly it will also cause a state of recession. Certainly that is going to be a major problem for Canada.

* * *

EXCISE TAX ACT

NOTICE OF MOTION PURSUANT TO S. O. 57

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate this opportunity and I shall not take too long.

I wish to give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming the debate on the motion of the Minister of Finance for second reading and reference to the Standing Committee of Finance of Bill C-62 and on any amendments proposed thereto, I will move that the debate be not further adjourned.

Mr. Robinson: I rise on a point of order, Mr. Speaker. First, I want to give notice to Your Honour and to the House that either myself or our House leader intend to argue a point of order tomorrow with respect to the procedural admissibility of the closure motion, given the provisions of Section 18 of the Constitution Act, 1867. I just wanted to give notice that we intend to argue that point tomorrow.

At this point, Mr. Speaker, I want to draw to your attention the difficulty that this side of the House is experiencing with respect to the frequent use of closure and superseding motions.

I want to cite at this point, in making my point of order, the advice of the Chair some three years ago to this House. In fact, it was on April 14, 1987 that the Chair in fact did intervene in a manner that changed the way that procedure had historically been interpreted in this House. That was done at that time to deal with what was held by the Chair to be unreasonable delaying tactics on the part of the Opposition.

I want to suggest on this point of order that precisely the opposite situation is before the House now.

The Acting Speaker (Mr. Paproski): I think the hon. member will be able to raise that tomorrow when he is debating his procedural motion. I think we should get right back into debate.

The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: I rise on a point of order, Mr. Speaker. I cannot let this opportunity go by. The government's notice of closure on the goods and services tax just given by the minister shows a complete contempt for parliamentary debate.

I remind members that we are into the debate at second reading. There were, according to the Order Paper today, four hours and thirty-two minutes of debate left in the eight-hour initial debating time. We have not even had four hours of debate on the fundamental change to taxing Canadians, and I resent and reproach

this government for using such tactics as imposing contempt on this House.

The Acting Speaker (Mr. Paproski): We still have three minutes remaining in questions and comments for the hon. member for Restigouche—Chaleur. Questions or comments? I will have to recognize the hon. member for Yorkton—Melville on another short point of order.

Mr. Nystrom: Very simply, Mr. Speaker, I want to support what the opposition Whip just said in terms of closure being moved this early. Perhaps you should check the precedents of the House. I know of no other example recently when closure has been moved so quickly in the House of Commons. The New Democratic Party has had only two speakers on second reading and all of a sudden there is closure. That is not a free and democratic debate in my opinion.

The Acting Speaker (Mr. Paproski): I think hon. ladies and gentlemen have expressed their views.

I would like to return to debate.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p.7569).

The Acting Speaker (Mr. Paproski): On questions and comments, the hon. member for Crowfoot.

There are two minutes left in the period for questions and comments on the speech of the hon. member for Restigouche—Chaleur.

Mr. Malone: Mr. Speaker, does the hon. member for Restigouche—Chaleur support the manufacturers' sales tax?

Mr. Arseneault: Mr. Speaker, I would like to thank the member for the question. I cannot support the manufacturers' sales tax as it now stands because there are some major problems with it. It needs reform.

The present tax that the government is proposing is worse than the manufacturers' sales tax. I honestly think that the government should have a look at tax reform in its entirety before proceeding with this type of tax, a tax on goods and services. There are some very negative things about this tax and unless we get them straightened out we are going to cause some great economic disruption in Canada's economy.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Swift Current—Maple Creek—Assiniboia.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the opportunity to speak to Bill C-62. I am in favour of the principle of sales tax reform in Canada. I emphasize the word "reform" because there are those who for selfish and partisan reasons persist in calling the GST a new tax. In so doing they imply that there is no present federal sales tax.

The fact is that Canada has had a sales tax, federally, since 1924. It is hidden deep in the price of all goods and services in Canada.

First, the federal sales taxes apply at rates of 9 per cent, 11 per cent, 13.5 per cent or as much as 19 per cent on sales of certain goods from the manufacturer. On top of that, there is a significant additional amount of federal sales tax paid on things that are used in the production of all other goods and services. These are input costs like vehicles, fuel, computers, telephone services, office furniture and equipment, stationery, construction materials and many more.

• (1700)

This additional amount results from cascading, tax on tax on tax, in each step between the raw material and the finished product. At present there is an additional tax burden of between 1 and 3 per cent on the selling price of an item as a result of cascading. There are those who may say, "So what?" Some of them are across the aisle. We have had the tax for 66 years. We survived. Why change it? Why reform sales tax at all?

First, the taxation of the inputs used to produce domestic goods harms Canada's international competitiveness. The goods we want to export bear the hidden burden of the current federal manufacturers' sales tax.

Second, the existing federal sales tax favours imported goods over domestically produced goods. Our domestically manufactured products are taxed on an average one third higher than competing imports. This is because the inputs are taxed on their value upon entry into Canada before a number of inputs such as further processing, advertising, distribution, marketing, packaging and other costs are added on to the value of that product. Whereas, the competing Canadian product is taxed further on in the chain after a number of these additional inputs have been factored in.

In an increasingly interdependent world, competition is such that we in Canada can no longer see our manufacturing sector trying to gain a share of the world market with one hand tied behind its back. Our enhanced ability to compete in the world will mean more jobs in Canadian manufacturing and industry. Adherence to the existing federal sales tax means more imports and fewer jobs at home.

Third, the existing federal sales tax is a jungle of regulation, special provisions, rulings, and administrative interpretations that generally evolve around the question: At which stage in the chain of value-added should the tax be imposed? Obviously, the earlier in the process the tax is applied, the lower the amount of tax—

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Mission—Coquitlam.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to raise the question of quorum.

The Acting Speaker (Mr. Paproski): The hon. member wants to know if there is a quorum.

Yes, there is a quorum.

Mr. Nault: Mr. Speaker is a slow counter.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Just as an aside, it is interesting that those who a few moments ago were professing interest in debating the merits of the GST are now trying by procedural measures to delay things even further.

Out of 75,000 manufacturers, there have been 23,000 separate legal rulings, and you can hardly blame manufacturers for trying to minimize the GST as they attempt to compete against foreign importers.

The Auditor General recently pointed out that the use of marketing companies costs an estimated $350 million a year in sales tax leakage. Other avoidance and evasion measures may add up to as much as $2 billion a year. Clearly, the federal government has to eliminate the incentive to resort to complex avoidance mechanisms. The answer is to reform sales tax entirely, to totally remove it from production as all other nations in the world have done. We remain the only country in the world which taxes its own production inputs thereby pricing our products out of the world market and enhancing the opportunity for foreign competition while at the same time encouraging elaborate tax avoidance and evasion techniques at home.

These are the reasons why most informed Canadians and, indeed, all political parties have recognized that the existing federal manufacturers' sales tax must go. It is fundamentally flawed. It is capricious in its application and damaging to our economy. This is why the finance committee of this House, composed of members from all sides, recommended that Canada implement a multi-stage sales tax on the broadest possible base.

The existing federal sales tax raises some $18 billion in federal revenue. A replacement tax clearly must raise an equivalent amount. A perfect GST system would tax all goods and services in the country. This would provide the broadest base to which the lowest percentage rate could be applied in order to produce that amount of revenue. But most Canadians feel that certain goods and services should be exempted. That is certainly the position of this government and the opposition parties. That is why basic groceries and prescription drugs, medical devices, residential rents, the purchase of existing homes and a number of other health and education related items are tax free.

The various exemptions narrow the base. That means that the percentage rate of tax has to be higher than would be the case if the base were broader.

Ms. Langan: Mr. Speaker, on a point of order. I have counted for you now. There are 18 members in the House, one has just gone out of the door. That means 17 members in the House, and I would question quorum.

The Acting Speaker (Mr. Paproski): I do now see a quorum.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I note that the lone NDP member present in the House is again trying to obstruct debate.

The Acting Speaker (Mr. Paproski): I would hope hon. members would not begin raising these types of things in this Chamber. We know we do not comment on who is and who is not in the House. I am sure that the hon. member has now seen that there is a quorum. We can carry on with debate.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the GST, from the viewpoint of the consumer, is similar to retail taxes operated by nine of the provinces in Canada at the present time.

The major difference between the GST and retail sales tax is that the GST will be collected at each stage of the production and distribution chain with businesses claiming full credits for all tax paid on their business purchases. Only in this way, through the collection and rebate at each stage, can all of the GST be eliminated on business inputs thereby removing the hidden cost of the current federal manufacturers' sales tax for both businesses and consumers.

The replacement of the existing federal sales tax with the GST will enable our productive sector to better compete in the world marketplace. The GST is designed, as I understand it, to be revenue neutral. To the extent that it succeeds in plugging the kind of leakage that the Auditor General has pointed out—which some estimate as much as $2 billion a year—to the extent that at least a part of the underground economy will be forced above ground because the multi-state sales tax is much harder to avoid than a tax paid only at the point of sale, to the extent that more people will likely be employed in the manufacturing and business sector thereby contributing to the tax system rather than taking from it, there will hopefully be additional revenues generated. These revenues will contribute to deficit and debt reduction thereby ensuring that the essential programs and services, which constitute the Canadian social safety net and which Canadians value, can continue to be met.

By continuing to generate a portion of over-all government revenues from consumption, which is a tax on spending, as opposed to income taxation which is a tax on productivity the over-all fairness of the system will be maintained.

I personally believe that we cannot rely entirely on income taxation to generate revenues within Canada. There is a point, in my mind personally, at 50 per cent beyond which you are penalizing income which could be used for investment purposes. To the extent that people have moneys left over after the basics and after income tax they can spend it at their discretion as they choose or they can save it and invest. If they spend the money they will pay the GST—a consumption tax on what they spend. On the other hand, if they invest the moneys it will mean new capital, new plant, equipment, inventory, and jobs for Canadians.

There will be a refundable GST credit introduced to protect lower and modest income Canadians to the point where families with incomes of up to $30,000 a year will pay less tax than they do now.

The area that I represent is almost entirely dependent on agriculture and particularly the health of the export grain sector. That sector, at the moment, is terribly depressed as a result of the on-going trade subsidy war between the United States and the European community. I would therefore like to speak about the GST from the perspective of agriculture, and in doing so I would confess that I am sick, tired and weary of hearing special interest groups distorting the GST, and spreading untruths about it.

To hear the Canadian Federation of Independent Business quoted as saying to the farmer: "The implications for agriculture are staggering. You will soon be paying an extra 7 per cent retail tax on fertilizer, chemical fuels, equipment, et cetera." That statement is false. It is 100 per cent wrong. The fact is that the GST does not apply to production inputs of any kind whether they be agricultural, small business, manufacturing or industry. It does not apply to the purchase of goods and services that are used in a production chain, plain and simply. Under the current federal sales tax system many goods used in farming are tax exempt.

• (1710)

Mr. Nault: Like what?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): However, other things that a farmer uses in the course of his farming operations are taxed, generally at a rate of 13.5 per cent on the manufacturing cost. These items include half-ton trucks, tools, some repair parts, construction materials for farm-building fences, fuel for

on highway use, and office equipment like computers. A half-ton truck for farm use, for example, which presently retails at approximately $14,000 should be some $1,400 less than would otherwise be the case as a result of the elimination of the existing federal manufacturers' sales tax and the rebate of GST to a farm purchaser.

Indeed a passenger vehicle of similar value purchased by a city dweller should be roughly $600 less owing to the difference between the current tax and the proposed GST. The naysayers and the doubting Thomases raise the question, "Will this saving be passed on?" I have no doubt that it will because we have in this country a competitive market-place, one that is based upon supply and demand. We have some 800,000 small businesses in this country, the backbone of the country, which compete with each other, which deal in large volume and small markup. I have no doubt that they will pass on the elimination of the FMST as well as the elimination of the cascading effect of that harmful tax to their customers. To believe otherwise would suggest that there are 800,000 small businesses in this country which collude and agree with each other every day to raise prices in concert. I think that is utter nonsense.

It is interesting to compare our system which is market driven, driven by supply and demand, with that kind of centrally planned economy which you have in eastern Europe and other nations in the world and which is being shown, day by day, to have failed utterly.

Even goods that are specifically exempt under the current sales tax regime contain a significant element of hidden tax, that is between 1 per cent and 3 per cent included in their price. This results from the cascading effect of the existing manufacturers' sales tax paid on many of the input costs that manufacturers and distributors have to buy in order to run their businesses.

Agricultural producers will note with satisfaction that the GST has been designed so that all producers, including farmers, get back all the sales tax they pay on their business inputs. The result will be real savings in operating costs. Under tax reform businesses pay a GST on the goods and services they buy and charge GST on their sales. The difference is remitted to the government. If the business in a particular period of time pays out more tax than it collects the government will refund the difference.

Most all sales by farmers are zero rated so they will not charge any tax in their sales but they will still, of course, be able to claim refunds for all GST paid on their business input purchases. Producers will receive a refund within 21 days or the government will pay interest on the money. In many cases it should be possible to get the rebate before the account is paid.

Some may say why can we not be exempted altogether with some kind of an exemption certificate. The problem is that the more exemptions you have the more complex the system becomes. It would be difficult for vendors to differentiate between exempt and non-exempt customers. It would make administration more difficult so, in most instances, the producer like anyone else will pay the GST in his purchases. He can then apply for a refund of the GST paid on all of the business input purchases. In order to avoid temporarily tying up large amounts of money there is now being prepared a list of selected major items which will be unconditionally tax free. This list of items used exclusively by farmers is being developed in consultation with representatives of the farm community. The list will include combines and other big-ticket items not bought by people other than producers.

Transfers of land within the family will be tax free. So too will dispositions of land as part of the sale of the farm as a going concern. Other sales will be subject to tax because of the difficulty in determining the ultimate use. If the purchase is for farming or other business usage the purchaser will be able to claim a refund of the GST paid. Crop share paid as part of a rental agreement will be exempt from the GST. Cash rental payments and custom work will be taxable, again to assist in the administration of the tax. In situations where it is difficult to ascertain the purpose, such as custom snow removal, the tax is paid by the purchaser who, if eligible, can then claim the refund.

In regard to fuel, gasoline and diesel, the farmer presently receives a rebate of the federal sales tax and purchases for off highway production purposes. Under the GST, farmers will recover all GST paid on fuel purchases for the farming operation and, unlike the current system, the rebate will apply to fuel used both on highway and off highway as long as it is used for business purposes. Invoices will show the GST as a separate item or as included in the price. In either case, farmers will

have the same number of invoices as they have now and it will be a fairly straightforward matter to calculate the GST actually paid on business input which will be refundable. The bottom line is that farmers, like all other businesses, will be better treated under the GST than they now are under the federal manufacturers' sales tax.

The bottom line for the nation is a level playing field for Canadian producers, an economy in which imports will not be favoured but rather will be taxed in the same manner as Canadian-made goods. It will be an economy in which a hidden federal sales tax will be removed from the production of goods and services in Canada and from Canada's exports, thereby enabling Canadians to compete better, to expand sales, and to employ more Canadians.

Much of the criticism of the GST is tied into the perception that this is a new tax rather than a replacement tax. Coupled with the opposition to the GST is the common statement that the federal government, indeed governments at all levels, must demonstrate restraint, stop needless spending and eliminate waste and so on. We certainly subscribe to that. Indeed, we would invite an examination of a long list of program cuts and expenditure reductions, all of which have been criticized by those opposite.

This leads me to consideration of the current federal debt situation. We have moved in five short years from a $16 billion shortfall on federal current programs under the previous administration to a $9 billion surplus today. This clearly is still not good enough and much more has to be done.

The annual deficit must first be reduced, then eliminated, and ultimately we must begin making payments on the principal itself. The national debt imposes on the government of today the obligation to repay the over-spending of the past. This debt will not go away. We cannot wish it away and we cannot ignore it. Indeed, if serious measures are not taken to deal with this problem now we shall soon reach the point where interest payments will consume so much of government revenue that there will not be enough left to maintain the most basic program needs of Canadians. There is no easy answer. The choices are difficult. We can act responsibly through a combination of spending reductions and revenue increases designed to reduce and eventually eliminate the annual deficit, or we can go the other way. We can pretend the problem does not exist and go the South American way. We can simply print money and attempt to service the debt with cheap dollars. The result of this irresponsible action would be hyper-inflation, incredibly high interest rates, and massive unemployment.

There is still time to take control of the debt-deficit problem. To do so will test the resolve and determination of all Canadians. We have put in place over the past five years a number of policies designed to improve Canada's competitive position in the world because this means jobs for Canadians and a better future. Part and parcel of this initiative is sales tax reform.

In conclusion, I want to say that it is time to act. We have been talking about sales tax reform for 50 years. That is long enough. We have the GST proposal before this House. No one has been able to find any useful or viable alternative. No one has any other suggestions. We know that the federal manufacturers' sales tax has to go. Everyone knows it. All parties agree. The GST may not be perfect. Indeed, it is far from perfect. But it appears to be the only alternative and it is light years better than what we have now. I say let us get on with it for the sake of the country.

Mr. Pickard: Mr. Speaker, to my honourable colleague, I have difficulty putting together two points that he raised in his speech. He raised the point that this tax is going to be revenue neutral and then in conclusion he states that this tax will, in fact, help pay off the programs initiated and a lot of other things.

In light of comments made by the Chamber of Commerce to this government suggesting that increases to spending by this government have been $50 billion over the last five years and 31 increases, how does he claim accountability with that question before him?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, unlike the hon. member I will attempt to answer the question put to me. I think there were two questions folded into the comment and question. One, if I recall it correctly, related to the question of neutrality. The other one related to accountability.

• (1720)

In regard to neutrality, it is my understanding that the tax has been designed to replace the revenue which the existing federal manufacturers' sales tax currently generates. It is also my understanding that the Auditor General has pointed out that there is leakage as a result of marketing companies of some $350 million a year.

There are others in the country who point out other loopholes, other inequities, other unfairnesses, other avoidance and evasion mechanisms which may add up to as much as $2 billion a year. There is an underground economy out there which will be more difficult to operate in as a result of the multi-stage nature of the tax.

Clearly, there is the potential for revenue which ought to be collected at this point in time to be collected. To the extent that that happens, this tax will have been a success. I believe it could generate more revenue.

There is a second aspect to it. This involves the projections of increased employment in Canada's manufacturing and industrial sector. It is pretty clear that if our productive sector is relieved of production input taxes, both direct and through the cascading effect of the existing federal manufacturers' sales tax, then it should put that sector in a better competitive position. It should result in more sales, in more exports, and in more employment in this country. There will be a lot of people paying into this system rather than taking out of it.

That has characterized the policy of this administration. It is policies like this which have resulted in something in the order of 1,600,000 more Canadians working today than was the case just five short years ago under the previous administration, an administration which spent this country into catastrophic debt and which mortgaged the future of Canadians.

An hon. member: You doubled it.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): We doubled it, the hon. member says. The fact is that the debt which was inherited on March 31, 1985, at the end of the previous administration, was $199 billion. Members opposite do not want to hear the truth. The fact is that the effect of compound interest on that $199 billion accounts for every cent of the increase in the national debt from March 31, 1985 to March 31, 1990. Every cent of the increase in the national debt is simply unpaid compound interest on the profligate over-spending of the opposition.

The Acting Speaker (Mr. Paproski): The hon. member for Fundy—Royal rose, as did the hon. member for Yorkton—Melville, the hon. member member for Edmonton East and the hon. member for Gloucester. The Chair recognizes the hon. member for Fundy—Royal.

Mr. Corbett: Mr. Speaker, I am delighted to hear my colleague so succinctly detail the benefits of the GST. Coming from a region of this nation which has for years been export oriented but which has suffered under the old system of the FST, we will now benefit from the imposition of the GST which will induce exporters in our region to be more competitive in the future. Hopefully, it will have the effect of bringing even more businesses into Atlantic Canada, as has been the trend over the past five years.

I also want to say that I am pleased to hear why consumers and all Canadians should not be skeptical that manufacturers will pass on the savings of the FST to them because of what has already been outlined.

I would just like to briefly comment that we often hear opposition members say that 70 per cent of the people are against the GST. In my experience, 70 per cent or more of the people would respond that they were negative to taxes anyway, regardless of what that tax might be and who imposes it.

My question to my hon. colleague is this. In his experience, what would be the response in his constituency to the question: "Are you in favour of government services"?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, there is clearly a problem. Canadians want continued services. They have been accustomed to a myriad of services from the federal government, and there is nothing wrong with that.

What is wrong is that previous administrations never had the courage to tax Canadians sufficiently to pay for those services and for those programs. There is a movement called Resolution One. I believe that Resolution One in the British North America Act ought to have been the clause stating that senior levels of government

had to balance their books on an annual basis except in a time of dire emergency, such as war.

Had that been the case the spendthrift group under Prime Minister Trudeau would not have been in a position to mortgage this country to the hilt and put us in the position today where we are scrambling to pay off the debt of the past rather than being in a position to build and invest for the future. That is the problem.

Mr. Nystrom: Mr. Speaker, I have a few short questions. First, the member for Swift Current—Maple Creek—Assiniboia said that no one has made any suggestions other than the GST. I remember in the finance committee I heard a lot of alternatives, a lot of suggestions. Some were good and some were probably not so good.

Does he not admit that he might have been exaggerating a bit when he said: "No one has made any other suggestions"? I know that people in his own riding, for example, have made different suggestions.

Second, when in a democratic system is it incumbent upon him as a member of Parliament representing his own riding, his own constituents, to stand up and say: "No"? The Gallup poll last week showed that 74 per cent of the people are opposed to the GST. The poll today shows 79 per cent.

It is not good enough that the member for New Brunswick said that people are against taxes. We find today in *The Globe and Mail*, for example, that 56 per cent of the people who smoke cigarettes would favour an increase of 50 cents a pack in the tax on cigarettes. There are certain taxes in this country that are supported by the people. I do not think it is good enough just to say that people do not want tax increases.

How can he say that no one has made any other suggestions? At what point must a member of Parliament get up in this House and support his or her constituents, in this case 79 per cent of the people in this country who are against the GST? An overwhelming number of Conservative voters from 1988 are in opposition to the GST. Is it not incumbent upon that member to get up in this House and represent their point of view?

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I am pleased to respond to the question raised by the hon. member for Yorkton—Melville.

First, he asked if there were alternatives put in regard to the GST, or for sales tax reform. No doubt he is referring to those put forward by his own party in a minority report attached to the finance committee's deliberations on the sales tax reform question.

In my remarks earlier I talked in terms of viable, practical, sensible solutions and alternatives. Of course, in saying that I thought the hon. member would understand that it automatically excluded the addendum to the finance report put forward by the NDP.

Since he has raised the matter I will give members of the NDP a compliment. I will say that at least they have put forward some alternatives. They did that, unlike the Liberals whose only answer is to criticize, criticize, criticize endlessly and mindlessly. The NDP did put forward some suggestions, and indeed I looked at them.

They were in terms of hiking the marginal tax rate. I talked about that in my speech. We do not need a 67 per cent income tax rate in this country. You have got to give people a little bit of room to be productive and to have some incentive to grow. Personally, I reject that. I suggest to the hon. member that most Canadians would.

Another thing members of the NDP talked about was to bring back the estate tax. I thought they learned their lesson in Saskatchewan back in the 1970s. But they want to bring back the estate tax to "get the wealthy", the same "wealthy" that they are protecting every day in this House by objecting to taxing back old age pension and family allowance from higher income Canadians—a totally inconsistent policy and one which makes no sense.

The second point the hon. member suggests is that we should abolish Parliament, I guess, and just let the bureaucrats run the country based on a Gallup poll that comes out every Friday. Maybe that is the answer. I do not know.

The fact is that if we govern by polls in this country I do not know where we would be. I am not particularly interested in polls, whether they are Gallup polls or

whether they are the polls which the NDP pays people in the United States to do.

The only poll which has the least bit of significance in a democratic society is the one which occurs on election day. All we can ask of Canadians at that time, probably some three years hence, is to mark the report card. They are going to judge based on which party had some sort of concrete approach to the debt problem. Was it a party which, yes, did raise some taxes; yes, did put forth some spending cuts and some restraint proposals in an attempt to do something about it? Or are they going to go with the opposition parties which have nothing to offer but mindless criticisms?

• (1730)

The Acting Speaker (Mr. Paproski): I apologize to the hon. member for Gloucester and the hon. member for Edmonton West. The time has run out on questions and comments.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too, am pleased to stand in the House today to express my concern over the proposed goods and services tax, Bill C–62.

Lately the government has been playing the smoke and mirrors game by claiming that it is listening to Canadians and has thus brought down the rate of the proposed goods and services tax from 9 per cent to 7 per cent. The finance minister loves to tell us what a great guy he is for this reduction. However, he does not point out that he will make up the revenue he would have gained had it been 9 per cent by implementing other tax measures.

In other words, to help compensate for a revenue decrease of almost $6 billion, the minister plans to scrap income reduction for middle–income earners, reduce the refundable tax credits for low–income Canadians, reduce housing rebates, and reduce the indexation for family allowances and old age security. These are but four of the ways the minister will get back what he so arrogantly infers is money owed to him.

When each of the new highlights is added up, the total revenue for the government is $5.9 billion, or exactly what would have been made if the tax was introduced at 9 per cent instead of 7 per cent. Thus the finance minister will have taken the same amount of money out of the pockets of Canadians. It is simple math, and Canadians will not be fooled. Canadians are not that dumb.

Here we are with a government that expects credit for saving $450 million by not doing something that it never intended to do in the first place. Canadians understand this tax, and they are loudly proclaiming that they do not want it.

The latest Gallup poll shows that 74 per cent of Canadians are opposed to the GST. We all know how much the government watches polls. Perhaps it should start listening to Canadians.

Canadians realize that the 7 per cent proposal is just as offensive as the 9 per cent proposal. Canadians realize that this is a tax faucet for the government. Once installed, the drip can and will be turned to full flow. In other words, the tax will easily get to the government's desired rate of 9 per cent or more.

Let us not get bogged down with proposed rates because this government has proven time and time again that it believes rates are there to be increased. After all, since the member for Etobicoke Centre became the Minister of Finance he has increased various taxes to Canadians 31 times. This is the same minister who termed the manufacturers' sales tax a silent killer of jobs because it damages the competitiveness of Canadian exports.

However, he has not hesitated to increase the rate of the MST on four separate occasions over the past five years. If the MST is such a great evil that it desperately needs to be replaced by the GST, then how could he justify these increases?

This does not say that I like the MST. I do not. I just believe that you do not replace a bad tax with a horrendous tax.

This proposed tax is everything the Minister of Finance promised it would not be during the 1988 election campaign. During that time the minister swore that he would not bring in a GST unless he had provincial co–operation. Well, he does not have that co–operation.

He also promised that any GST would be revenue neutral, visible and non–inflationary. It is none of these things. In fact, the Conference Board of Canada estimates that the rate of inflation will be between 1 per cent and 1.5 per cent. The government admits that this number is reached by taking a very optimistic view of the

effects of the GST. The Conference Board based these assumptions on those of the finance department.

The Department of Finance assumes that the savings of the cut will be passed on to the consumer. This is just a joke. There is no system in place to monitor such a move.

The minister promised Canadians that when he brought in a GST he would remove the 3 per cent temporary surtax on their incomes. He promised middle-income Canadians that he would lower their basic income tax rate. He promised business people that it would be simple to understand and administer. The Minister of Finance did not keep any of these promises.

Not only was the surtax not removed, it went up 2 percentage points. The income tax rate will not be lowered and the proposed GST will be a nightmare for the business community to understand and administer.

Most of all, the Minister of Finance promised that the tax would be fair. Canadians in every part of this country are continually pointing out just how unfair it is.

Is it fair that low-income families and persons living on fixed incomes, including seniors and welfare recipients, will be hurt by the GST? A senior with a given income will pay more, not less, taxes than his or her younger counterpart with the identical income. Sales taxes are by their nature regressive, simply because low-income Canadians spend a larger portion of their income on taxed goods and services than do higher-income people.

For example, according to Statistics Canada, families with incomes between $10,000 and $15,000 a year spend 92 per cent of their incomes on current consumption, with about 18 per cent of this being spent on food. In contrast, families with incomes of $50,000 or more spend only about 56 per cent of their income on current consumption, with only 7 per cent on food.

Although refundable tax credits are intended to compensate poorer families for the increased federal sales tax, many witnesses appearing before the finance committee were convinced that these increased credits would not fully compensate low-income Canadians for the added cost of the GST.

Is it fair that for the first time in Canadian history, books will be taxed? As was pointed out in discussions with the Nepean Library in my constituency, libraries will not be able to purchase on behalf of their clientele as much reading material because of this tax. As a result of the tax there will likely be less variety and selection of works for libraries to choose from because the booksellers will restrict their offerings to potential best sellers with less risk. At the very minimum, libraries will have the immediate impact of 7 per cent less money to buy books. This is at a time when the government is attempting to give the impression that it is fighting illiteracy.

Furthermore, by planning to tax reading but not gambling the government is saying that gambling is more worthy of support than the fight to end illiteracy.

Is it fair that the GST will wreak havoc on the tourism industry? One reason for this is that the GST discourages Canadians from spending their tourism dollars in Canada. This will have a devastating effect on the industry.

In addition, the GST will discourage foreign tourists from coming to Canada. Do we honestly think that these foreign tourists are going to save all those little sales slips and when they leave the country that they are going to turn them in for reimbursement? Of course they will not.

Is it fair that the real estate prices will increase and rents will rise because of the GST?

I realize that my time is getting short and my notes are not getting any shorter, they are still very long.

It is a real privilege for me to stand here because what I am hearing, not just in my riding but in letters from right across the country, is that people are very, very concerned about this. What it has shown me is that this government, as it has on so many other occasions, has failed the test. It is not listening to Canadians.

This government is tricky. It announces changes and calls them tax reform. Over all, the effect is to increase taxes for everyone except the well off. The GST represents a monumental shift in the way taxes are collected in Canada. Once that line is crossed there is no turning back.

Mr. McDermid: Mr. Speaker, I listened with great interest to the hon. member. I want to speak just briefly on what the hon. member said about tourism.

First, the hon. member said the tax is going to hurt foreign tourism. For any country that has a value-added tax, its tourism has not gone down. It has not affected tourism. The hon. member speaks of tourists going to cash in the tax credits. When I travel and have the opportunity I certainly cash in the tax credits. Most of the people I talk to who travel internationally, who go to countries that have refunds for foreign tourists, take advantage of it. I believe the foreign tourists here will.

• (1740)

We have gone one step further in Canada. We are also giving them a credit on short-term accommodation when they are here, which you do not get in other countries. You do not think they are going to claim that back? Of course they are going to claim it back.

The GST is not going to be a detriment to tourism. The only way it could be a detriment is with all of these opposition members standing up and saying: "Don't come to Canada, it is terrible up here". Well, that is absolute nonsense. You should be promoting this country. You should not be denigrating it with this nonsense about how this tax is going to hurt tourism, because you know it is not true.

Mrs. Gaffney: I think the comments of the member across the way were a statement. I do not know whether he knows how to ask a question, but anyway, I will respond to that.

When you have statistics from every one of the major tourism industries across the country, who can you rely on more than the tourism industry themselves, who say that the GST will hurt tourism in Canada.

I have to take the advice of the experts. Unlike the member across the way, I do not consider myself an expert on everything. I listen to the experts and it is high time he did too.

Mr. Gardiner: Mr. Speaker, I appreciate the member's comments about the grief and suffering tax. I just want to bring a little politics into the Chamber, if I might. I know we should not do that.

I would like to ask the member a question. When she is out, perhaps in the fall of 1992 or the spring of 1993, possibly knocking on doors trying to get the support of her constituents again, when they ask her how come the Liberal Party really did not help fight the GST and did not present any alternatives when that legislation was going through the House of Commons, what she will say to those voters?

Mrs. Gaffney: I will say the same thing to these constituents with regard to the GST, as I said to them about the NDP and why did they not fight the free trade agreement.

We have this government across the floor because of the New Democratic Party did not fight the free trade agreement. I will do the same thing for this. Canadians across this country have given alternatives to this government. They have not listened one iota. I have alternatives. Why should I give them to you? You will not listen anyway. The NDP have come up with alternatives. I have not even heard the government consider them. Why go through the sham of presenting something to a government that is going to sit there and ignore what is being said, because they are not listening to Canadians, so why should they listen to me.

Mr. Jordan: I would like to congratulate my colleague on a fine speech. She seems to have touched a few nerve ends and that is always an indication of a well supported speech and good statistics.

Canadians had a bad experience a few years ago when we converted to the metric system when rather ruthless entrepreneurs did a very limited kind of tinkering with the price of a unit when the size of the unit was markedly reduced or raised.

Mr. McDermid: Who brought that in?

Mr. Jordan: I am not speaking about the merits of the metric system. I am talking about ruthless entrepreneurs who existed then and I am sure exist today. I wonder if the member would care to comment on whether she sees any danger of a repeat here?

The Acting Speaker (Mr. Paproski): You have 30 seconds, please.

Mrs. Gaffney: Well, it was with a great deal of interest that I heard the government whip comment on who came from a business background here in this House. He indicated with great delight how most people on the government side of the House had a big business

background, therefore, had a better opportunity to know how to run this country. I say that business is ashamed of this government. Business does not run business the way this government runs business.

The Acting Speaker (Mr. Paproski): It being 5.45 o'clock p.m., pursuant to order made Thursday, February 1, 1990, the House will now proceed to the taking of the deferred division.

* * *

SUPPLY

ALLOTTED DAY, S. O. 81—NATIONAL PARK SYSTEM

The House resumed, from Thursday, February 1, consideration of the motion of Mr. Fulton:

That, in the opinion of this House, the government should move to complete the national park system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development (Brundtland Report) that Canada protect at least 12 per cent of land and marine zones.

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion which was negatived on the following division:

(Division No. 184)

YEAS

Members

Althouse
Angus
Assad
Barrett
Bellemare
Blackburn (Brant)
Blondin
Butland
Catterall
Crawford
Duhamel
Flis
Foster
Funk
Gardiner
Gray (Windsor West)
Heap
Hovdebo
Jordan
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
MacWilliam
McCurdy
McLaughlin
Milliken
Nystrom
Parker
Pickard
Rideout
Robinson
Rodriguez
Simmons
Speller
Taylor
Volpe
Wood
Young (Beaches—Woodbine)—77

Anawak
Arseneault
Baker
Bélair
Black
Blaikie
Boudria
Caccia
Clancy
Dionne
Ferguson
Fontana
Fulton
Gaffney
Gauthier
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Kristiansen
Langdon (Essex—Windsor)
MacLellan
Maheu
McGuire
Mifflin
Nault
Pagtakhan
Phinney
Proud
Riis
Rocheleau
Samson
Skelly (Comox—Alberni)
Stupich
Vanclief
Waddell
Young (Gloucester)

NAYS

Members

Anderson
Attewell
Belsher
Bjornson
Blais
Bosley
Bouchard (Lac-Saint-Jean)
Boyer
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Chartrand
Clifford
Corbeil
Côté
Crosby (Halifax West)
DeBlois
Della Noce
Domm
Edwards
Fee
Fontaine
Friesen
Gibeau
Greene
Gustafson
Harvey (Chicoutimi)
Hockin
Horner
Hughes
Johnson
Kilgour (Edmonton Southeast)
Landry
Layton
MacDonald (Rosedale)
MacKay
Martin (Lincoln)
Mazankowski
McDougall (St. Paul's)
Moore
Nowlan
O'Kurley
Plourde
Pronovost
Reid
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Shields
Sobeski
Tardif
Thompson
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vankoughnet
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—122

Atkinson
Beatty
Bertrand
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Brightwell
Cadieux
Cardiff
Chadwick
Charest
Clark (Brandon—Souris)
Cole
Corbett
Crosbie (St. John's West)
Darling
de Cotret
Desjardins
Dorin
Epp
Ferland
Fretz
Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hogue
Hudon
James
Kempling
Koury
Larrivée
Lewis
MacDougall (Timiskaming)
Malone
Mayer
McDermid
Monteith
Nicholson
Oberle
Plamondon
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Thacker
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vien
Weiner
Wilbee
Winegard

• (1810)

The Acting Speaker (Mr. Paproski): I declare the motion lost. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p.7569).

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

Some hon. members: No.

The Acting Speaker (Mr. Paproski): The hon. member for Gloucester on debate.

Mr. Douglas Young (Gloucester): Mr. Speaker, in rising to speak on this motion, one of the things that strikes me the most is what we have heard from members opposite in the debate so far.

The comic strip may have passed into history wherein every now and then we would see General Bullmoose suggest that what is good for General Motors is good for the country.

In this particular matter, everybody else is wrong. Business, which is supposed to be helped by the goods and services tax is wrong when it is opposed to the GST—

The Acting Speaker (Mr. Paproski): Order, please. We are now in debate. If hon. members wish to discuss other projects, they could do it behind the curtain. The hon. member for Gloucester.

Mr. Young (Gloucester): Thank you, Mr. Speaker. As I was saying, when the Federation of Independent Business states its opposition to the goods and services tax, it is because it does not understand or it has a vested interest, whatever the excuse might be given by members of the government to support the GST.

When the Canadian Labour Congress opposes the goods and services tax, it is because they do not understand. When chambers of commerce across the country state their opposition to the way the GST is being implemented and some of the implications of the GST, it is because they do not understand.

Today in the House I heard the minister speak on the matter, saying that tourism would be greatly helped by the GST and that the rebate system that was involved in it would be very helpful to tourism. However, the tourist industry states unequivocally that it is opposed to the GST. The stock answer for members opposite is that people do not understand. What we are faced with now in the House is an opportunity for the government to provide Canadians with all the answers and all the explanations. I am suggesting to the Minister of Finance whom I know wants to make sure that Canadians do understand his proposal that he should be speaking to the government House Leader, suggesting that all members of the House should have an opportunity to speak out in this forum and tell exactly what they feel so strongly about in terms of whether or not they support the GST or whether they oppose it.

Today I listened to the story on how the deficit problem in the country has occurred. Although it has doubled the debt, and the deficit is going to be well in excess of $30 billion this year, the government says it is the fault of the government that was in power 5, 10 or 15 years ago.

If one wanted to look at it closely, one might want to ask what was the amount collected by the Government of Canada through the manufacturers' sales tax in 1984, what is the amount this year and what is the projected amount had the MST been left in force in the fiscal year 1991-92. I think Canadians would be astounded to learn that in 1984 when this government came to power it was collecting less than $8 billion in the manufacturers' sales tax. Under the goods and services tax it will collect in excess of $25 billion.

It would be interesting for Canadians and for all members of the House from Alberta, Saskatchewan, Manitoba and Ontario who support the GST to stand in this House and tell us why they support it. Do not tell us why the opposition is spreading gloom and doom and that the opposition wants to take political advantage of the goods and services tax. It seems to me that it is

incumbent on members of Parliament to explain to the approximately 75 per cent of Canadians who are opposed to the GST why they are wrong.

The simple answer is for government members to muzzle the opposition. That is nothing new because of the experience of the finance committee over the past six months. As we travelled into Vancouver, Edmonton, Regina, Winnipeg, Halifax, St. John's, Fredericton and Charlottetown, Canadians were given very, very limited opportunity to speak out as to why they were opposed to the goods and services tax.

That syndrome continues. The Minister of Justice came in this afternoon, rose on a point of order and told Canadians that not only would they not be allowed to discuss to any great degree the goods and services tax and what it means to them and their families, neither would elected members of Parliament. We will be precluded from speaking out on the goods and services tax. It seems absolutely ludicrous to me that people who believe in the goods and services tax will not stand in their place and explain to Canadians what the government propaganda machine and a couple of ministers who spoke out on the matter have been unable to do.

I was very pleased to learn over the weekend that the Minister of Finance will be attending a meeting of the chamber of commerce in Edmonton on March 5. Since there has been a coherent long-term approach on the part of the government to restrict appearances by government members to very special contexts, I and I am sure Albertans would like to see an open forum.

We would like to see a forum where not just members of the chamber of commerce but Albertans generally could attend, not to listen to a debate between two politicians, but to be able to ask questions that concern them. The problem with the GST debate so far is that there have not been many answers from the government except to suggest that we have to replace the manufacturers' sales tax.

I say to Canadians what they must ask their members of parliament who support the GST what the tax is meant to replace. The manufacturers' sales tax had raised less than $9 billion when the Conservatives came to power in 1984. The GST in 1991-92 is predicted to bring in in excess of $25 billion. That is a threefold increase and the government says it is not a new tax. It may not be a new tax but it is going to bring in an awful lot more money than what was being raised by the so-called silent killer of jobs in 1984.

• (1820)

I would like to make a point to my western friends. Having travelled in the west, I know the deep-rooted feeling there against the goods and services tax. I would suggest that when members on the government side speak about the GST, and in particular about agriculture and farmers, they do not confuse the issue. The question of how farmers will operate their businesses in terms of inputs, credits, exemptions and so forth is one thing. It is debatable whether they will be better off or worse off.

Unfortunately, what members to your right do not understand is that farmers and their families are consumers. They do not just farm the land, they do other things. They buy other things than what they need to farm with. That is why Albertans, Manitobans and people from Saskatchewan understand why this tax is bad. It is not just what it is going to do to the primary industries in this country, it is not just what it is going to do to farmers or fishermen, it is what happens when people do not understand that farmers, like every other consumer in the country, are going to be attacked by the goods and services tax.

Mr. Sobeski: Who's paying the MST now?

Mr. Young (Gloucester): My friend asks who is paying the MST now. The people of Canada are paying the MST. There is no question about that. We paid $7.7 billion in 1984 but the Tories want to transfer a $7.7 billion tax that was being collected in 1984 into a $25 billion to $26 billion tax on consumers in 1991. That is the Tory way. That is the answer to the question.

Canadians know now that there is a manufacturers' sales tax and they know they are paying it. The fact is Canadians are saying to this government that they would rather stay with the status quo, the devil they know rather than the devil they don't know. That is what Canadians are saying.

The position of the Liberal party has been that we need to have tax reform with fiscal reform, something that nobody to the right understands. They know how to raise taxes. They knew how to raise them 31 times in five years, but they do not know how to practise fiscal reform

because they do not understand that the two go hand in hand.

We have 80 members on this side of the House who want to be heard in this debate. I do not know what is wrong with members to your right, Mr. Speaker, that they do not want to take the opportunity afforded to them in this House to explain to their constituents what the GST is all about. However, to ensure that members of the Liberal party can be heard in this House, I move:

> That the House continue to sit beyond the ordinary hour of adjournment for the purpose of continuing consideration of Bill C-62.

I believe it is important that parliamentarians be heard on the question of the goods and services tax in this country.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion moved by the hon. member. Would those members who object to the motion please rise in their places?

And more than 15 members having risen:

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Hockin: Mr. Speaker, I rise to correct some very serious faults that have been made in the last two speeches by Liberal members. I am astonished to hear two falsehoods which Liberal party members should be very aware are serious misconceptions that they are propagating. They have been propagating them steadily for the last three months and have just tried to do it in the House again.

The hon. member for Nepean said that municipal libraries will have to pay the sales tax on books. That is not true and she knows that.

Second, the finance critic for the Liberal party just spoke about tourism and the GST and made an absolutely inaccurate statement. He said that the Tourism Association of Canada does not support the GST. Yes it does. It wants a lower rate but it supports the tax conceptually. That is what the hon. member does not want to hear because we have an alternative and the opposition does not have an alternative. The argument is about the rate, not about the tax. I would ask him to clarify what he means when he says the association does not support the tax conceptually.

Also, the hon. member who serves as the finance critic for the Liberal party talks about fiscal reform. Since 1984 this government has spent 3.5 per cent on average on program increases every year. I would like him to tell me what fiscal leadership the Liberal governments in the 1970s showed and how much their increases were year by year. I do know that from 1972 to 1975, when the member for Vancouver Quadra was the finance minister, increases were over 17 per cent a year. The member talks about fiscal reform. Fiscal reform has been pursued by this government. The previous Liberal government did not pursue fiscal reform or tax reform.

Finally, I want to ask the member what he means when he talks about the 1984 level of the federal sales tax and the manufacturers' sales tax. He fails to tell the House that in that year the Government of Canada was going to run a deficit of $38 billion or higher. That is the kind of fiscal reform he wants to return to.

Mr. Young (Gloucester): Mr. Speaker, first of all, in terms of the tourism industry, if the hon. minister wants to discuss the question of the GST with the tourism industry I can arrange for that very easily. As a matter of fact, on Wednesday evening of last week the Canadian Restaurant and Food Association, a very integral component of the tourism industry in this country, was here. It said that it, like many other people, are very concerned with the government's approach on the goods and services tax. It is not like saying: "Are you in favour of fresh air? Are you in favour of it or are you against it?" It is not that black and white. The restaurant association does not support the proposal that the government is trying to ramrod through this House. It does not, and that is a fact. The Nova Scotia tourist association, also represented at that dinner, refused to support the government initiative as it is presently before this House.

Sir John A. Macdonald supported some things in this country too, if we want to go back. He supported the railway. What is the minister's position on the railroad in this country now?

The Liberal government of the 1970s and early 1980s had a mandate and it at that time had to answer to the people for what the people decided was not the proper way to proceed in this country. I am not going to defend what went on in 1970 or 1980, not at all. I have no need to.

The minister talks about reform. There was reform of the rules of this House. I want to tell the hon. minister, through you Mr. Speaker, that Sir John A. Macdonald had beliefs, which this member and his colleagues obviously no longer share, about a country and what the railroad contributes. John Diefenbaker, who I am sure you remember, had some thoughts on closure that he expressed during the pipeline debate. We are in this House today talking about tax reform, monetary reform, fiscal reform, and what do we have to do? Capsule it in five minutes or less because this government imposes closure on parliamentarians who want to discuss the GST thoroughly. We cannot as my time is ended because the government will not allow us to speak out.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. Parliamentary Secretary to the Minister of Defence.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, obviously, in any society it is a lot easier not to make decisions, not to govern, than to try and govern a country. And when one does govern, one has to make changes from time to time, and it is not necessarily easy to do so. The same applies to bringing up children, because if we promise our teenagers a lot of things when they are growing up, and we are unable to keep those promises, we are stuck and we then have some difficult decisions to make.

The financial situation in Canada is not an easy one, and when we want to change projects or introduce new policies, people are going to raise all kinds of scenarios, and we have had examples of this daily. In fact, we saw this just five minutes ago, when a vote was called on a motion to extend debate after the usual time of adjournment. I have no objection to the principle, but don't you think that if we had not wasted our time last week on endless votes on the tabling of private bills, and if we had each used our speaking time, our ten or twenty minutes, instead of putting on this show to try and obstruct the proceedings of the House, there would be no need today to call a vote on extending the hours of business of the House.

• (1830)

There was plenty of time, except they had to put on a show, and we saw some incredible ones— I wish the hon. member would let me get on with my speech. I let you talk, now let me talk. I support the tax!

Last year, we had a debate on free trade, remember? You know what the Liberals said? With free trade, old age pensions will go. They said the same thing about tourism. Old age pensions, all that was going to go. That was a year and half ago, and it hasn't happened, yet. Monique Bégin, former Minister of National Health and Welfare, said: With free trade, AIDS— You remember that one? And now they are trying to make Canadians believe any number of fairy stories. One thing is certain: this century saw a lot more Liberal than Conservative ministers of finance. In 1946, we had the Russell-Sirois Commission. In 1940, they took the Russell-Sirois Commission Report which had recommended to change the tax system and they shelved it. In 1956, they took the Carter Commission Report which had also recommended to change the tax system and they shelved it. Not to govern is much easier than to govern. That was in 1956. In 1966, they shelved also the Carter Commission of Inquiry report on taxation. In 1977, there was the Commodity Tax Review Group report. Again, instead of governing, they shelved this report. In 1983, they shelved the Goodman Report. There was one such report every decade, namely in 1940, 1956, 1966, 1977 and 1983. All these reports indicated that our tax system needed to be changed. Each time, the party in power decided not to govern and to continue as before. In 1984 or 1985, this Government tried another tack.

How did this develop? It was said earlier that taxes are not popular. It is clear they are not. We do not need surveys to find that out. Everybody knows that taxes are not popular and that governments try to get reelected. But how do governments go about it? When the needs are greater, they try to raise new taxes. If you were the prime minister of a country where religion forbade to eat pork, do you not think it would be easy for you, as a prime minister, to raise a special tax on pork? That is what you would do.

Mrs. Bourgault: So let say it is forbidden.

Mr. Hudon: It is forbidden. When something is forbidden either through religion or customs, people seem to jump on it. What did governments do 70 years ago when they wanted to tax people who were self-sufficient and

rich? They taxed manufactured goods because as a rule, people were self-sufficient, made their own fabrics, sofas, clothing, etc. Therefore, they levied taxes on luxury items because rich people had enough money to buy a manufactured sofa or weaved worsted clothes. This is how we developed our tax system in Canada. Because of the religious or historical context, we have had sin taxes—liquor, cigarettes, playing cards. Only recently have we been able to buy playing cards without excise stamps. And we started taxing the rich because the rich bought manufactured goods. So we said that was a good way to raise money. And we kept on doing it. Manufactured goods were taxed more and more, but there has to be a limit. It is not because one is rich that one will use a hundred times more manufactured goods than one's poor neighbour. There is a limit to that. It is not because I am rich that I will take 42 meals a week instead of 14. If I am rich, or if I have money, instead of buying groceries for my meals I will buy services, eat in restaurants. So, the more affluent I am, the more services I can afford. If I had money, why would I buy a $20,000 car? I would lease an automobile with a chauffeur! I would be stupid to drive. If I am rich, why would I buy a house? Why buy a house and look after the flowers? Instead, I will hire a gardener, rent a house, and so forth. I will rent services, and they are not taxable.

If tomorrow morning you receive $250,000 in interest on your investments, Mr. Speaker, just for the last three months, it would be stupid of you to invest them yourself. You would use financial consultants. Come now! The more affluent one becomes, the more services one uses. Fifty years ago, the more affluent one was, the more manufactured goods one used. It was tempting for governments to jump on that. But as everyone suggests, this is old-fashioned. Our Opposition colleagues also suggest this I think. They certainly do not agree with the proposal. But that is the direction the tax system will take. We simply have to propose changes.

I can see some Members who did not even bother to attend the proceedings of the Committee on Finance chaired by our colleague from Mississauga South (Mr. Blenkarn), so they certainly did not come up with meaningful suggestions. How do we go about it? Someone may not particularly favour 9 per cent, or 7 per cent, or even 5 per cent. We agreed to some exceptions. Some people said: I would support a 5-per-cent tax without any exception. That is one option. The government chose another one. So now the government is facing the problem of taxing wealthier Canadians on what they chose to do with their money, and these are the people who now use ever more services.

Back in my riding I gave a few conferences on the GST and a lady said to me: Mr. Hudon, this means that when I eventually sell my house I will pay a 9-per-cent tax on the contract drawn up by the notary. I replied: Yes, Madam, you sell your house, the notary charges $1,000 for the contract, so you pay $90. You cannot afford to pay that? On any given day, do you know how many people sell their house? You will sell one in your lifetime. How many houses did you sell in your life? Two, Mr. Hudon. Do you know how many people sell houses every day? They are not taxed. What the Minister of Finance did through the tax reform is something new, at the same time a change in the income tax level and in the tax rate. This is the way we will improve our system, broadening the tax base and being more equitable by taxing rich people on what they do with their money. We are not hiding anything, Mr. Speaker. It has been suggested that people will leave Canada and that tourists will stay away in droves. Well now, the situation is the same everywhere.

The second issue to keep in mind and to point out honestly to all Canadians is that everything made or produced in Canada is subject to a 13.5 per cent tax.

• (1840)

We do not tell people enough—you are afraid to and some days so am I—that normally, the price of all manufactured products will go down 13.5 per cent and up 7 per cent.

Will the big corporations pass on the savings? We have to find some way to check into that. A system will have to be set up to do that. But normally, that is what will happen and what will help our exports.

We talked about it in the free trade debate. Canada, the Canadian economy, depends entirely on our exports—and I mean that. I do not get richer by selling something to my neighbour in Valleyfield; I get richer when I sell abroad and new money enters the country.

When our Canadian products are put on the market in Europe or the United States with a 13.5 per cent tax included, I am automatically disqualified or it is harder for me to compete for sales internationally.

Mr. Speaker, I say that if we want to maintain our social programs, if we want to maintain Canadians' collective wealth, we must bring money into this country and we will do that by exporting our labour and what we produce.

So I want to tax rich people on what they do with their money. Secondly, I want to make my exports competitive. Thirdly, and this is not said often enough, we have no external marks to distinguish rich and poor. I want to help the less fortunate deal with that expense. That is why there will be rebates based on the previous year's tax return. Households with incomes of $30,000 or less will get tax credits four times a year, not to spend the first day they get it. It is to help them deal with the extra expenses they will incur.

It is true that if they go to St. Hubert Bar-B-Q or McDonald's to eat half a chicken for $10, it will cost $10.70. We are not lying to people; we are telling them that is true. But to help them pay the extra 70 cents, they will receive a credit on January 1, March 1, July 1 and October 1. With that, they can handle the extra expenses.

We are not lying. I for one did not need that. As far as I am concerned, Mr. Speaker, I am earning $80 000, and I do not need the rebate, I can afford it. One thing is certain—the Canadian economy will be paid for by Canadians, not by foreigners. The debt will be paid by Canadians, not by foreigners. It is our business. We are asking more and more from the government. Every year we used to pay all sorts of things for Canadians. There was talk about VIA Rail, about a lot of other services. We have taken firm action on the economy. There is a new Budget coming, and I am sure there will be more.

I remember in 1984, when we came up with our first Budget and started cutting, I kept hearing on the other side who is running today for the leadership of the Liberal party. She used to say: "Cut, Cut, Cut!" and "Jobs, Jobs, Jobs." Never so were so many new jobs created than since that time!

There are political risks to be taken. There are fiscal risks to be taken. And the risks we took in 1984, 1985 and 1986 have borne fruit.

Mr. Speaker, as I said, I certainly want to tax the rich on what they do with their money. Second, I want to make our goods globally competitive by repealing the 13,5 per cent tax, and making our exporters competitive.

Third, I want to help the less privileged, because to them this will be an extra cost; those people I want to help face that new expenditure. And this, Mr. Speaker, leads me to the exemption. Not all goods will be taxed. Food will be exempt, drugs will be exempt, rents will be exempt, resale houses will be exempt.

So, Mr. Speaker, there are exceptions in—

Mr. Fontana: What is the definition of "Food"?

Mr. Hudon: —Someone asked for the definition of food. The Liberals, Mr. Speaker, are wondering how to define food. Well, since they were in power for 22 years, they could have come up with a definition!

Mr. Nystrom: It's caviar and Big Macs!

Mr. Hudon: Ah! Caviar! So that's it.. Here we go again, about those tons of caviar that are sold every year. The NDP and its crusade against caviar! Mr. Speaker, the Liberals are wondering how to define food. Shame, shame! So you really wonder?

Mr. Fontana: Is barbecued chicken food?

Mr. Hudon: You seem to have a problem. I suppose if I mention prescription drugs and tell them these are not taxed, they will say: What is the definition of a prescription drug? We will remind them that in Bill C-22, we came up with a definition of prescription drugs, and it was a worthwhile exercise, believe me, because during the 22 years they were in power, their definition of prescription drugs wasn't so hot. They didn't really know what it meant. Now they wonder what food is. They ask to have the hours of the House extended so they can talk some more. The people listening to us today, Mr. Speaker, can hardly be expected to take all this very seriously.

Mr. Speaker, the tax reform before the House today, which is part of the overall tax reform, will be beneficial to the economy of this country in general. All politicians are the same. They try to tax areas, not where it is politically expedient but where it makes the most sense to the public.

Mr. Speaker, I am sure that tomorrow morning, the Minister of Finance will be able to sell Canadians a tax of

x per cent on all incomes in Canada for environmental reasons, because of existing public awareness.

That is what governments will try to do. That is what governments have always tried to do. Remember what I said earlier about farmers. Every country has developed its tax system in terms of historical, religious, financial or other constraints.

Mr. Speaker, we don't need polls to tell us that a tax is not popular. When I walk around—-

Mr. Nystrom: In Chambly, too!

Mr. Hudon: In Chambly, you've are got to be kidding it is not the GST which will get us elected or not. Don't worry! You can talk about Meech Lake in Chambly and show how much of a hypocrite you are but the considerations. They are totally different.

Mr. Speaker, they tell us that a tax is unpopular— When I walk down Victoria Street in Valleyfield, I know that the tax is not popular. But popular or not, Mr. Speaker, it is not going to make me change my mind. I am not here just to get re-elected. I am here to try to make some useful changes, to build a nation for our children and to give them the tools they need to succeed. Because the way we are going— And we all agree on this; there is no need for a Gallup poll.

Mr. Speaker, the way we are going, it will be an a tragedy if we do not give ourselves the economic tools we need to face the new Canadian realities and responsibilities.

[*English*]

Mr. Foster: Mr. Speaker, I have been listening with great interest to the hon. member for Beauharnois—Salaberry. I just did not quite understand his explanation as to why there is such a devastating percentage of Canadian people opposed to the GST.

I quote from the *Star* CTV poll just released last night which says that 79 per cent of Canadians are opposed to the GST and 16 per cent are in favour of it. That is not very many. Only 16 per cent are in favour of it. I think it is really the 16 Tories in the House tonight. These people are trying to muzzle Parliament by not allowing an extended debate so opposition members can explain to the government what is wrong with it and perhaps we can get some answers to these questions. Clearly, 79 per cent of Canadians are opposed to it. Only 16 per cent are in favour of it and 5 per cent cannot make up their minds. I think they just probably have not heard of it.

• (1850)

In the member's province of Quebec the situation is even more devastating: 81 per cent are opposed to it while 14 per cent are in favour of it. I would think that it is not just what the hon. member hears casually when he goes back on the weekend, but people are really concerned. He simply has to get better answers and better explanations of why he wants to impose this dastardly tax on the people of Quebec.

Clearly in the west it is the same problem. Only 1 per cent more are in favour; 15 per cent are in favour there and 80 per cent are opposed. Some 5 per cent have not heard of it. In Atlantic Canada 16 per cent are in favour and 78 per cent are opposed.

I think it is important to note when we look at these polls that many people are not only opposed to it but are prepared to sign petitions, write letters to their MPs, attend rallies, vote against it, and boycott the tax. They want to take whatever action is possible.

I wonder if the hon. member could explain to the House why 81 per cent of the people in Quebec are opposed to it and only 14 per cent are in favour.

The Acting Speaker (Mr. Paproski): Before the hon. member replies, the hon. member for Leeds—Grenville has a point of order.

Mr. Jordan: Mr. Speaker, I would like to ask the government House leader what business he intends to introduce in the House tomorrow.

Mr. Hawkes: The hon. government House leader is not here, Mr. Speaker, but as chief government Whip I think members can look at the Order Paper for tomorrow. I think the primary item on that would be a continuation of the goods and services tax debate.

[*Translation*]

Mr. Hudon: My colleague wants to know why so many people are against the GST. It is because of the damn lies you keep telling them!

Mr. Nystrom: The what?

Mr. Hudon: The lies! Throughout the free trade debate some Members kept asking why so many people were against free trade. You had elderly people believe they would lose their pension benefits. During the 1988

campaign we spent a whole month telling seniors that it was not true, that they did not have to fear losing their pension. Stop giving them misleading information.

A moment ago we were talking about Chambly and—What is his name— We are bound to forget his name within a couple of weeks. Why did the candidate in Chambly fail to tell the voters that right now— In any event, if he did not tell them I will because I am sure they are all listening to us, that on a $10,000 car they will pay $840 less.

An hon. member: With the GST.

Mr. Hudon: With the GST. Why do you not tell that to them? Why are people not aware of the fact that the price of all manufactured products will drop by 13.5 per cent and then go up 7 per cent? People do not know that food will not be taxed. You feed them misleading information to scare them. Tourism, nobody eats in restaurants anymore! The economic downturn will scare the daylights out of Canadians!

Last year, Mr. Speaker, we had the AIDS apocalypse in free trade and this is why some people were against it. So what happened to the untold woes we were supposed to witness, Mr. Speaker? Funny thing, here we are in 1990, two years later, yet we are still alive and old age pensions are still paid out regularly. My colleague on the other side has been making faces for nearly an hour, you will lose! If we lose the election next time around, Jos, that means you win. Well, when you do, you tackle the economic problems of the country. As you try to do that you will learn one thing: It is a lot harder to govern than to be governed. Then you can make faces!

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member for Gloucester, and then I will recognize the hon. member for Yorkton—Melville.

[*Translation*]

Mr. Young (Gloucester): Mr. Speaker, I should like to ask my hon. friend a question on a comment he made earlier. As we were dealing with food and its definition, I was somewhat surprised when I heard him refer to millionaires and state that he would tax all kinds of food. Am I to understand that he feels the people who are paying $10 plus the 7 per cent tax to eat in Quebec establishments such as St. Hubert B-B-Q—he mentioned it specifically—are millionaires? I suggest that people see food as something all human beings eat. Sometimes they have to buy something in a store or eat in a St. Hubert B-B-Q because most working men and women often do not have time to go back home every day for lunch or dinner. I was surprised that the Hon. Member could not understand our concern about the way the government is planning to levy a tax on nearly 40 per cent of all the food people will eat in Canadian restaurants, snackbars, cafeterias, and so on. Just the same, I find it surprising that the hon. member should not consider this important for low and middle income people who have to eat in these restaurants and who will have to pay this new tax from now on.

Here is my question, Mr. Speaker. The hon. member often refers to free trade. He knows how to associate the AIDS issue with free trade, and I congragulate him, for he has a most interesting turn of phrase. This being said, he suggested that all the support and the free trade discussions had made it possible for Premier Bourassa—

Mrs. Bourgault: Give him a break! Let him reply!

Mr. Young: Madam, you may have your turn if you do not insist on closure.

Now, the hon. member dealt with free trade. Are we to understand that you do not at all agree with Premier Bourassa and his Minister of Finance (Mr. Lévesque) who oppose the GST? Are you suggesting that they do not understand, like all the other Canadian Premiers?

Mr. Hudon: I will check the blues to see what I said about food. I did not mean to downplay the situation. I don't think I said that only rich people go to the restaurant, but I will check the blues. That is not at all what I meant.

Mr. Young: You asked what food was.

Mr. Hudon: No, no, you're the one who asked the definition of food. That is what you asked a few moments ago.

As for the other comment, it is not I who mixed AIDS with free trade, it is Monique Bégin.

An hon. member: Yes, it is Monique Bégin.

Mr. Hudon: Don't you remember, during the election campaign, when all the scare tactics were coming out and Monique Bégin was saying: You know, with free trade—It is well known. Anyway, in Quebec, everybody knows

that it is Monique Bégin who made that kind of comments.

On the third point concerning Mr. Bourassa, it is true. We tried to harmonize our tax with the provincial tax. Provinces are not particularly interested in a harmonized tax because they would lose the tax on the tax. We would like to have a harmonized tax with each province and to have only one system. I am sure that the day provinces accept our offer, they will be able to sit down and negotiate.

I would like to say to my colleague that some statements are political. Of course, Mr. Speaker, when we brought forward the goods and services tax proposal, in the middle of the election campaign in Quebec, it was not very popular. Any premier will jump on that and say that it is not popular. The same thing happened when the premier, who is an economist, said that there should be different interest rates in Quebec and in Ontario. I said to him: Listen, apart from the fact that we are in the middle of an election campaign, have you ever seen different interest rates in Quebec and in Ontario?

[*English*]

The Acting Speaker (Mr. Paproski): It being seven o'clock the House will now adjourn.

I regret the hon. member for Yorkton—Melville did not have an opportunity to raise a question. He will be the next speaker for the NDP when Bill C-62 comes up in the House again.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

PROPOSED GOODS AND SERVICES TAX

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, I am pleased to have this opportunity tonight to return to the issue of the goods and services tax. On October 2 I pointed out to the Minister of Finance that the GST discriminates against the residents of the north.

Because the cost of living in the north is the highest in the country, each northerner will pay more of this unfair tax. The public documents released on the GST do not mention the north.

I asked the minister why the north was omitted from the government's technical paper on the goods and service tax proposal. I also asked whether the government had done any background studies on the impact of this tax on the north and, if so, would the minister release these studies to northerners.

The minister replied that the government had done a good deal of work on the impact of the tax on the north and that the impact on the north is about the same as the national average. The minister said that the GST would improve the economic fortunes of the north by about 1.5 per cent. I was not satisfied with that answer.

My office followed up with the minister's office and asked for the studies and information the minister said he had on the impact of the tax on the north. We were told that it would take a little while to put it all together and that it would be sent to us in a very short time. It is now almost four months from the time I asked the question and we do not have those studies yet. Frankly, I do not believe they exist.

At the time I asked my question the finance committee studying the GST proposal had not put the Northwest Territories on its travel itinerary. I urged the committee to include the Northwest Territories in its travel schedule and a lot of pressure from the north was placed on the committee chairman to the same end. Eventually, that committee did go to Yellowknife to hear submissions on the GST, and it got an earful.

In a letter to the finance committee chairman the NWT Minister of Finance outlined the areas where the tax will adversely affect the north and other isolated regions much more than it will in southern Canada. He said:

> The significantly higher costs in the Northwest Territories mean that northerners will pay much more under the goods and services tax than will other Canadians, while the proposed sales tax credit and other announced measures will be insufficient to offset the higher cost resulting from the tax.

It is the view of the government of the Northwest Territories that the GST will make the attainment of their goals of greater independence and self-reliance more difficult.

The brief of the government of the Northwest Territories pointed out that modern industries operating in the north face some disadvantages that are not shared throughout the rest of Canada. Operating costs are very high. Labour costs are very high because it is more difficult to attract skilled workers and because living costs are so much higher in the north. Transportation costs are very high, especially in the smaller communities spread out across the north where all the goods must be flown in or brought out by sea lift.

These high transportation costs affect both the cost of consumer goods and the cost to business of shipping in its inputs and shipping out its production. The benefits to the NWT economy are extremely dubious.

What of the NWT consumer? While the sales tax burden on all Canadians will increase because of the new tax, the burden on NWT residents will increase by substantially more.

In 1985, prices for goods and services, excluding shelter, were on the average 44 per cent higher in the Northwest Territories than in southern Canada. With the GST, residents of the Northwest Territories will pay much more than other Canadians because prices are much higher to begin with.

The government of the Northwest Territories has calculated that if the current price differential still exists in 1991—and I predict it will be even greater—northern residents will pay over 40 per cent more in tax than southern residents. If the cost of housing is included the average price difference and tax will probably exceed 50 per cent because of the exceedingly high cost of housing.

Prices in Yellowknife are about 33 per cent higher than in Edmonton. But prices in some isolated communities, such as Grise Fjord on Ellesmere Island or Pelly Bay can average as much as 100 per cent more than in southern Canada.

It is the lower-income residents of the north who will feel the burden most. The sales tax credit will be much lower in real terms in the north and will not be high enough to compensate northern residents for the increased tax. Also, northern residents will begin to lose the tax credit at much lower levels of real income. For example, an employee in the NWT has to earn 50 per cent more on average to maintain a similar purchasing power to an individual living in southern Canada. An individual in the NWT earning $30,000 per year might have a similar real purchasing power to an individual earning $20,000 in the south, but the southern residents will receive more of a benefit than the northern residents under the sales tax credit.

• (1905)

A further blow particularly affecting residents of the eastern Arctic and Baffin Island are Canada Post's new freight rates on food mail. These rate increases are averaging 20 to 25 per cent and will put some food out of reach for many families. A dozen eggs now costs $4.20. A litre of milk costs $4.50. These are the prices being paid now. These prices do not reflect what might happen to the cost of transportation under the GST.

The GST will apply to air fares and transportation. In my constituency there are no roads. Air transportation is a necessity. All our goods, food, clothing, hardware, and construction materials must be flown in, or they are brought in on sea lift in the summer months when the ocean waters are free of ice.

Under the GST fuel and electricity are going to be taxed. This will be a real additional hardship on northerners, where the necessities cost much more and where the consumption is much higher because of the climate.

Northern businesses will face administration costs. In the NWT businesses do not now have any sales tax to administer and accounting services are not available in many small northern communities.

The government has not considered how much harder this tax will hit northern residents; or, if it has, it has decided that it does not care.

When will the government recognize that the boundaries of Canada extend far beyond Quebec and Ontario?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I was disappointed by what my hon. colleague had to say. Right now, Canadian residents, whether they be northerners, southerners, easterners or westerners, all pay a 13.5 per cent federal sales tax.

And here was my hon. colleague talking about milk. We know that there is at present a 13.5 per cent hidden tax in the production of milk in Canada. Even on the carton itself and on the print on the carton, there is a 13.5 per cent hidden tax that Canadians don't know

about but still pay. What we propose is a visible 7 per cent tax on all goods, except on what my hon. colleague was talking about, that is food, which includes milk. Since the GST does not apply to milk, milk will cost less than it does right now with the 13.5 per cent hidden tax. We should not forget that.

On the other side, when we talk about the northern part of the country, we talk about mining, and about production. The 7 per cent tax is a consumption tax, it is not a manufacturers' tax or a production tax. So, in the long term, northerners will come to see that change of target as an advantage. In the long run, they will profit from that tax, and I'm happy for them.

Finally, Mr. Speaker, I want to say that the current 13.5 per cent federal sales tax, instead of equally helping all areas across the country, is in fact putting some of the regions, including the North, at a disadvantage, because, as you know, the system is 65 years old. It is outdated and needs to be changed. The new tax system will allow us to help all of Canada, and specially the remote areas, more than we can now with the current federal sales tax.

Mr. Speaker, I think that my hon. colleague would do well to examine the question in its entirety, although I know he has a special interest in the well-being of northerners. He would do well to put aside his partisanship, and to look at the real benefits the GST has in store for the people he represents and wishes to represent.

• (1910)

[*English*]

COMINCO

Mr. Sid Parker (Kootenay East): Mr. Speaker, on January 24, I asked a question in the House concerning the shutdown of Cominco's Sullivan Mine in Kimberley, British Columbia.

The answer I received from the Minister of Regional Industrial Expansion did not only reflect the minister's lack of knowledge of the case, but it was an insult to the people of Kimberley and to the workers who have dedicated their lives to this work in this community. I would like to review the answer given by the minister and bring some information to his attention so he will not embarrass himself in the House when confronted with a similar situation in the future.

The minister in his response on January 24 implied that the Sullivan Mine had run out of ore. For the minister's information the Sullivan Mine has at least 20 million tonnes of productive ore in the ground. This represents a minimum of 10 years of operation. This fact is acknowledged by all people familiar with the mine, including the company.

The company earned a a profit of over $9 million last year in the operation of that mine alone. Why did the minister's answer not acknowledge this fact? The people of Kimberley do not need misinformation such as this to cloud the fight for their community.

The minister also avoided the whole issue of the $79 million invested in Cominco by the federal government through the FBDB. When the government decided to invest the funds to upgrade Cominco's Trail smelter, it was with the clear understanding that the investment would secure employment at the Sullivan Mine well into the 1990s.

It also stated that it would help ensure the employment of 6,000 people in southeastern British Columbia. One and a half years later, Cominco announces that its operations at Sullivan Mine will be shutting down on two weeks' notice. That short a notice and that drastic a measure is not acceptable to the people of Kimberley.

At the same time we find out that the $79 million had no strings attached. I would like to tell the government that it cannot have it both ways. It cannot talk about total free enterprise and then bail out its corporate friends when the system breaks down while at the same time leaving the miners in the town of Kimberley with no assistance.

We recently learned that some disciplinary action may be forthcoming within the FBDB as a result of loans given to strip clubs. I would like to suggest to the minister that handing over $79 million to a hugely profitable company with no strings attached may constitute a more serious problem than the strip club loans.

We have a situation wherein a whole community is decimated overnight. A number of serious questions were raised concerning the crisis and we have a minister

responding to them with inaccurate information, at least as far as those questions he decided to respond to were concerned.

I want to tell the minister on behalf of the people of Kimberley that we expect more from a minister of this government than a recital of the company line.

Will the minister undertake today to order a full investigation of the reasons for the shutdown at the Cominco mine, including allegations of union busting by the company, the transfer of over 800 jobs from Canada to the U.S. and the role of the American zinc, copper and lead lobby in the free trade negotiations?

Will the minister also tell the Canadian people that decent wages, environmental standards and health and safety regulations will not be seen as a liability in Canada by his government?

Finally, I would like to ask the minister what plans his government has to assist the community of Kimberley. If this government can spend $79 million helping one of the most profitable corporations in Canada, then surely there is some money available to assist the people of Kimberley.

• (1915)

[*Translation*]

Mr. Benoît Tremblay (Parliamentary Secretary to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on January 31, 1990, Cominco shut down its lead and zinc mine for an indefinite period. As a result, over 700 workers in and around Kimberley have been laid-off.

Cominco had been operating this mine for decades to supply its smelters in Trail, B.C., with zinc and lead. But the company also sold a lot of concentrates in Asia, mainly in Japan.

Contrary to what my colleague said, the Minister never suggested there was no ore left. In fact, the deposit probably won't be exhausted for many more years. What the Minister meant was that it is becoming increasingly expensive to operate this mine at a greater depth and, in fact, the company has told us that operating and equipment costs are much higher for much lower quality ores.

In general, it must be pointed out that the price of zinc on the London stock exchange has dropped from 75 to 58 cents. In addition, the amount of silver found in the ore is getting increasingly smaller. The bottom line is that it is no longer economic to operate the mine.

In fact, the mining industry has lost $2 million a month in November and December 1989. You have indicated 9 millions for last year. In fact, if the activities were to be maintained after January 1990, losses would be of $3 million a month or some $35 million for this year.

Obviously, if prices go up again, the company could start its activities over again, and the workers' collective agreement states that the workers who have been laid off must be the first to be called back to work for 18 months.

As we have said, the federal government, through our department, is committed in the Trail Founderies with $79 million worth of stocks in a project totalling $275 million. In fact, that project is supposed to start this month. However, the proposed closure of the Sullivan mine will not harm Trail, although a much larger proportion of concentrates comes from the Sullivan Mine, because Cominco can obtain the concentrates from many other sources. More and more, the main source of the company will be the Red Dog mine in Alaska which opened in November 1989. It will soon become one of the least expensive mines to run in the world.

According to metal investment analysts, a greater number of companies mining base metals are tightening their belts by reducing production and prospection, now that metal prices are decreasing. The prices of aluminum, zinc, copper and nickel have been declining in the last few weeks.

Mining companies have not forgotten the depressed markets of the early '80s and the huge losses that resulted, so they move quickly to reduce the supply rather than wait until the situation worsens. However, most mining companies had trimmed the fat during the last economic cycle and they should, as a whole, keep lay-offs to a minimum.

As we already said, the government cares for the workers and it will take every possible action to help them.

In the present situation, operation of the mine cannot continue, because prices are too low, should they go up however, the mine might reopen.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.20 p.m.

HOUSE OF COMMONS

Tuesday, February 6, 1990

The House met at 11 a.m.

Prayers

[*English*]

PRIVILEGE

GOODS AND SERVICES TAX

Mr. Speaker: I should advise the House that I have an application for a question of privilege. The hon. member for Kamloops.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise to bring to your attention a situation which I suggest may be yet another contempt of the House on the part of the Department of Finance. On September 25, the right hon. Leader of the Official Opposition presented to you his view that a national advertising program explaining the goods and services tax in full-page newspaper ads was contemptuous of the House's authority and prejudiced the proceedings of House committees.

Some weeks later, Mr. Speaker, you returned to the House. While you did not find a *prima facie* case of contempt you did express serious reservations about the advertising campaign. You told the House of Commons and the people of Canada that the contents of the advertisement gave you difficulty. You said that the content was obviously drafted in a cavalier manner and that there was an element of confidence, if not of boldness.

However, you accepted the word of the Ministers of Justice and of Finance that the intent of the ad was to inform Canadians and not to diminish the dignity or authority of the House of Commons and the Parliament of Canada. We left the issue with some confidence that it would not be repeated. After all, you summed up your ruling with the following cautionary remark:

> I want the House to understand very clearly that if your Speaker ever has to consider a situation like this again, the Chair will not be as generous. This is a case which, in my opinion, should never recur. I expect the Department of Finance and other departments to study this ruling carefully and remind everyone within the Public Service that we are a parliamentary democracy, not a so-called executive democracy, not a so-called administrative democracy.

This morning, I read, as I am sure did all other members, that the Department of Finance is continuing to advertise the goods and services tax. While it is not using the print or broadcast media, it is exploiting a very effective advertising tool, namely, direct mail.

• (1110)

We learned from a report by Alan Freeman in *The Globe and Mail* today, that the finance department has mailed out 1,855,000 copies of a 20-page brochure; 1.4 million English copies; 375,000 French copies, and 80,000 bilingual copies.

The brochure claims that the goods and services tax will result in lowering operating costs to small business, an improved cash flow, a more competitive edge, and so on. These are debatable claims. We have heard from various organizations that represent the small business sector, as a matter of fact that speak for tens of thousands of people operating small businesses, that exactly the opposite will occur. So as I say, Mr. Speaker, what one person believes is a fact would be questioned by someone else.

Again finance department officials are claiming that this is not advertising but is simply factual material intended to inform the public. I find this, as I am sure others do, very reminiscent of the situation last fall. The Department of Finance is employing a communications strategy in advance of a House of Commons decision. After all, today we will likely only be completing second reading of the goods and services legislation.

Such a campaign can only be prejudicial to the work of the House and of the committee which will be charged with amending the GST bill, should it receive second reading later today.

Of greatest concern is that this time the Department of Finance employed this campaign after you, Mr. Speaker, had issued your warning to them. I ask you to consider what precedent will be set if a *prima facie* case of contempt is not found in this instance. What will it take to convince those who continue to act in defiance in Parliament that indeed the House of Commons does have an authority which must be protected?

In conclusion, Mr. Speaker, if you find that there is a *prima facie* case of contempt in this instance I would, of course, be prepared to move the appropriate motion.

Mr. Speaker: The hon. Minister of Justice in reply.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have a few short points to make on my friend's point of order. I am amazed to find, once again, that the New Democratic Party objects to the Canadian people being informed. We on this side always thought that it was the job of governments and of Parliament to inform people. The NDP seems to operate on the theory that if you keep people in the dark and cover them up they will not create any problems.

I will be very brief, Mr. Speaker. The essence of your ruling, as I understand it, was that in the advertisement in question back in the fall there was an inference that the goods and services tax had become law. We took to heart the ruling which the Chair made. I can assure the Chair that all advertisements and all informational material has been prepared with that ruling in mind, and there is no intention of misinforming the Canadian people. Rather we intend to inform Canadians with as much information as possible.

I found when I was in my riding over Christmas that that was what people wanted. They want to know how we are going to implement this tax; how do barbers implement it, how do farmers implement it, how do business people implement this new tax. There is an understanding out there that the tax must happen in order to improve our competitive ability.

I hear my friends in the Liberal Party agree. Having said that, Mr. Speaker, I am content that you will find that all information produced by the Ministry of Finance is in order and is in keeping with your previous ruling.

I wish, while I am on my feet, to respond to my hon. member's comments *vis–a–vis* debate. I am pleased to welcome the New Democratic Party to the House of Commons for debate rather than delay. We have a litany which is prepared and will go forward from my office advising the people of exactly the delaying tactics of the New Democratic Party. I am joined by my colleagues in the Liberal Party in welcoming the New Democratic Party to a forum for debate rather than delay.

Under the circumstances of this refreshing new attitude on behalf of the New Democratic Party I want to advise the House that, in view of this change of heart on behalf of the New Democrats, the government has no intention of delaying debate. The government will call Bill C–62 today. The government will not invoke closure today. There will be no need for any further points of order on whether the notice given yesterday was in order. We have a very routine Routine Proceedings as far as the government is concerned. We welcome and enjoin the New Democratic Party to participate in debate.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise on the question of privilege that has been raised. I know hon. members opposite do not like to hear these words. They are embarrassed about the booklets they are distributing about the country on this goods and services tax, and with good reason.

I must say at the outset that I am delighted to receive support from the New Democratic Party for our leader's initiative taken last September on this important issue. We know that the privileges of Parliament are paramount because we in this party take the view that those privileges represent the privileges of the people who elected us to represent them here, and trampling on these privileges by this government has become quite notorious in the last few years. Frankly, the books that have been published recently, I am sure, are a continuation of the same kind of exercise.

I am delighted to hear the Minister of Justice say that the booklets have been prepared in accordance with Your Honour's ruling. However, I think the point raised by the hon. member for Kamloops is a valid one. While these booklets may, on their face, appear to comply with Your Honour's ruling in that they may state that the bill introducing the goods and services tax is currently before Parliament, I want to stress that the booklets are not just factual booklets, but contain information. And more

than that, they contain opinion, the government's opinion that this tax is a great thing for people.

The government is using the booklets, not as an advertisement procedure for setting the facts before the people of Canada but for a self-serving justification for the introduction of Bill C-62 in this House. It is an improper use of public funds. It is an improper use of the government's advertising capacity and it constitutes a breach of the privileges of this House because hon. members on this side of the House are not given the opportunity to answer the nonsense published in these books.

I have not seen one of the books. They have not been distributed to us yet that I am aware of, but I understand—now the chief government whip is waving a copy.

Mr. Speaker: Perhaps I could assist the hon. member for Kingston and the Islands. I have seen one of the books. I would not want him to feel that he could not continue his argument just because he has not seen one.

Mr. Milliken: Your Honour, I do not feel that way at all because I read the press release that dealt with the issue of the books and I could tell from the press release that there was more to those books than met the eye.

What is in those books is opinion. The government has put forward its opinions and its weak justification for this tax, and I suggest that that is an improper use of funds. It is an abuse of the privileges of this House.

Mr. Speaker: The hon. member for Kamloops has put forward a point of privilege, not a point of order, and it refers to certain publications which are now in the public domain, as the hon. member for Kamloops said, by direct mailing referring to the legislation which is in front of the House and its consequences.

In view of the fact that the Chair was required to make a ruling on this matter some months ago, I will review very carefully the argument made by the hon. member for Kamloops, the response by the Minister of Justice and other members.

I want to assure members that I have the point and there is no particular necessity to engage in any further argument. The hon. member for Thunder Bay—Atikokan seeks the floor and given his stature and experience in the House I will, of course, hear him briefly.

• (1120)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to be very brief and to add to the argument of my colleague.

It should be pointed out that at the time when you made your initial ruling last fall, the information that had been disseminated talked about a 9 per cent goods and services tax. As we know, the legislation before us is for a 7 per cent tax, clearly an indication that things can change and that factual information may vary from time to time. I would ask Your Honour to take that into consideration.

Just as an aside, you might note that the amount being spent for the small business mail-out, $1.3 million, is almost identical to the amount to be cut from members' householders through the cut-backs by the government of funding to the House.

Mr. Speaker: I thank the hon. member. The hon. member for Mackenzie is rising. He may have something to add. I will hear him briefly.

Mr. Vic Althouse (Mackenzie): Very briefly, Mr. Speaker.

I note in the government House leader's remarks that he says that the purpose of the 20-page document is to advise taxpayers, and small business people in particular, how to implement the tax. I think that this comes to the very root and nub of the argument that has been presented by my friend from Kamloops. It assumes that this House will make no amendments to the proposed tax, it assumes that Parliament has no role to play in tax legislation, something that is supposed to have been the role of Parliament since, at least, 1215.

I think this is very much a contempt of Parliament. I think what we have here is advocacy by the Conservative Party. It is not the law of the land and until it becomes the law of the land, the government cannot legitimately tell people how to carry out a tax that still is not even a tax.

Mr. Speaker: I want to thank the hon. member for Kamloops for raising the matter, and other members for

their interventions. As I said, I shall consider the matter and report back to the House as soon as possible.

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

SOLICITOR GENERAL

SECURITY INTELLIGENCE REVIEW COMMITTEE REPORT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I would like to table, in both officials languages, the Security Intelligence Review Committee's report to the Solicitor General of Canada on the Innu interview and the native extremism investigation.

Often at this time, I also say that I have a motion. But at this time, because we understand the New Democratic Party wants to debate the goods and services tax, I have no further motions.

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Hon. John Bosley (Don Valley West): Mr. Speaker, in accordance with Standing Order 108(2), the Standing Committee on External Affairs has conducted an examination of the ramifications of Canada joining the Organization of American States, and I am pleased to present the third report of the committee, in both official languages, thereon.

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

Mr. Riis: Mr. Speaker, a point of order. Before we move through the daily routine of business, because of the high interest rate policy of the government and the fact that interest rates now appear to be increasing, our intention would be to move a motion of concurrence. I believe that ought to be done under motions. If that is the case we certainly would like to move that.

Mr. Speaker: I would just like to ask the hon. member to be patient while I consider this.

* * *

FINANCE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Lorne Nystrom (Yorkton—Melville) moved:

That the first report of the Standing Committee on Finance presented to the House on Thursday, June 22, 1989, be concurred in.

Mr. Hawkes: Mr. Speaker, on a point of order, to consider this motion at this time would disrupt the House in terms of its willingness to debate the GST.

What I am wondering is whether that requires some reversion. Had we passed the point at which this motion was in order and, if so, Mr. Speaker, I can assure you the NDP would not have the unanimous consent of the House for any kind of reversion.

Mr. Speaker: I take the position that we have not proceeded with petitions. I had not recognized any member. It was made clear to me that the hon. member wished to bring to the attention of the House that they wanted to move a motion of concurrence. I was not into petitions.

Mr. Riis: Mr. Speaker, on a point of order just to clarify that point. I realize that we would not have gotten the unanimous consent to proceed.

To clarify what seems to be a misconception, it is not our intention to co-operate with the government. I think the Minister of Justice and the government House leader somehow conveyed that impression. I just want to make it perfectly clear that in no way do we plan to co-operate with this government as long as it is attempting to ram and jam the goods and services tax through the House of Commons.

Because of the high interest rate of the government and because of the concern we have of the impact this is going to have on consumers, and particularly small businesses in the country, we want to move concurrence in this report which asks, of course, the government to reconsider this silly high interest rate policy.

Mr. Hawkes: Mr. Speaker, on a point of order, I do not think our House leader felt that the NDP were co-operating with the government on the GST. That is not a message that would sit very well with the Canadian people. I think it is quite clear that they are not.

What we did feel was that we were getting a lot of rhetoric from the New Democratic Party, through the press primarily, about their willingness to debate the GST any time, any place, anywhere. We thought maybe it was time to have a demonstration of whether the NDP keeps their word or not. It is clear from the tactics of the last five minutes that they have no intention of debating the GST. They simply intend to waste the money, millions of dollars, of non-debate on the GST. Their only strategy is not to debate it. They do not want the Canadian people to find out what it says because Canadians are going to like it when they find out what it is about.

The only protection they have is to stifle debate in this chamber, try to keep Canadians misinformed or uninformed on the GST. We would like debate and if we have to, at a later date, move closure to get that debate, we will be prepared to do that.

Mr. Gauthier: That last sentence of the government whip has got to be something else. "Canadians will like the GST." It is the most regressive, hidden tax, the biggest tax grab ever taken out of Canadian pockets in the history of this country and he is saying to us that Canadians will like it. I think the member should go back to his riding and console those people because I am sure they will not like it.

Having said that, Mr. Speaker, I thought you had proceeded to petitions. If we are still on motions, first, I would like to know, is it in order for a motion to be moved at this time? Because I have been restraining my members in the interest of getting debate, asking them not to move motions because I know the tricks and everyone in the House knows what is going to happen. The NDP, if you recognize them, will get a 20-minute speech on finance matters. Then the government will move to Orders of the Day and that is it.

I lose again my request for an emergency debate today. Our members are upset because I have asked them to hold back. I have members in my caucus who would like to move concurrence motions in many of these so-called reports of committees. I would like to see some co-operation in this House, not this kind of funny game.

• (1130)

Mr. Flis: Mr. Speaker, on a point of order, I had my headpiece on and I clearly heard the Speaker say, "Petitions". I stood up because I have two petitions to present. I have been denied the right to table any petitions for two weeks. Mr. Speaker, you did call the hon. member for Kamloops. I thought you were calling him because he had petitions and that is why I sat still. But the Speaker called petitions. I stood up to table petitions. I would like a ruling on what stage of the proceedings we are at.

Mr. Speaker: I thought I had made the ruling. I was informed by the hon. member for Kamloops that he wished to put forward a motion. When he stood I recognized him. As far as I am concerned we were not in petitions. I know the hon. member has petitions to present, so do other members. Perhaps we will get to that, but that is my ruling.

I know that the hon. member for Parkdale—High Park has important petitions to speak to. I hope that he will be able to do that soon. All hon. members know that if, for whatever reason, they cannot speak to them they can be presented to the Table, but I understand the reasons for wanting to speak to them and I hope that can be met shortly.

Mr. Riis: Mr. Speaker, on a point of order, I want to explain, first to my hon. friend from Parkdale—High Park, that as we were moving through Routine Proceedings I had approached the Chair and, about the same time he was about to move on beyond motions, indicated that it was our intention to put a motion in advance of a move to petitions.

I understand his dilemma. It is a dilemma that we all face. Perhaps I should remind my hon. friend the government whip that if he looks at the history of this House that it was the government that moved dilatory motions on four of the five days of debate. So, in a sense,

in terms of who is playing around with the rules of the House, he should keep that in mind.

I have two quick points. We are interested in debating the goods and services tax with the people of Canada in the regions and that is why we challenged the front benches of the Conservative Party to debate this in Alberta, British Columbia, Saskatchewan, Newfoundland and so on, but so far we have been unable to arrange, I think with one exception, any debates.

I am prepared, on behalf of the New Democratic Party, to permit the hon. member for Ottawa—Vanier to put his request for an emergency debate today. I am not certain what it is, but just having faith that whatever issue my hon. colleague would want to put before the Chair in terms of a request for an emergency debate would be a serious one, I am prepared to offer, on behalf of the New Democratic Party, our unanimous consent to allow him to be able to put that at this point.

Mr. Hawkes: Mr. Speaker, on a point of order, if the NDP are saying that they are seeking unanimous consent of the House to withdraw the motion and if they are further saying that they have no intention of any further dilatory tactics for the balance of today, then the government would be prepared to give the unanimous consent for the withdrawal of the motion.

But if we are simply trading one dilatory tactic for another and then we are going to follow with another, if they are still on the path of trying to stifle debate in this chamber about the GST then, of course, there is no way that the government will give unanimous consent for them to withdraw their motion. This is a chamber for free and open debate.

Freedom of speech is the most fundamental principle governing this place and they are attempting to cut off debate. They have been doing it since we came back in January on every conceivable occasion in every conceivable way. We take our responsibilities seriously. If they do not want debate tell us clearly, do not run to the media and say they want it when in fact their behaviour in this chamber says they do not. If they want debate we will have debate, if they do not want debate tell us and we will move closure. We will get to that stage of proceedings where debate will occur because it is under closure. If that is the only way to get debate in this chamber, Mr. Speaker, we are prepared to act in that manner.

Mr. Speaker: This is going beyond a point of order into debate about other matters. I have moved the first report of the Standing Committee on Finance be concurred in. I will hear the hon. member for Yorkton—Melville.

Mr. Nystrom: Mr. Speaker, first of all I want to say that I think this House should agree and concur in the report of the finance committee which was issued on June 22 last year. The reason I say that is because it was one of those rare occasions when all three political parties, the Conservative Party, the Liberal Party and the New Democratic Party were in accord. The interest rates at that time, mainly back last April, May and June, were too high, they were hurting this country and the Governor of the Bank of Canada, John Crow, should be doing whatever was possible to reduce interest rates.

That was last June, about eight months ago. The bank rate is even higher today than it was at the time we were considering its impact on monetary policy in this country. Mr. Speaker, I am sure that you as a westerner who depends on exports of your commodities from Alberta like we do from Saskatchewan, was shocked last Thursday when the Bank of Canada once again raised the bank rate by 30 basis points to 12.59 per cent. That is at the highest level since about April last year. We are right back in the position now where we were eight or nine months ago, perhaps even a bit higher in terms of the bank rate.

I felt I had to do this today for a couple of reasons. First of all, I am shocked at what the government whip said when he talked about a waste of money. If there is any debate that is important in this country now it is the high interest rate policy of the Bank of Canada, which is wasting a lot of money in terms of interest and the national debt, and wasting a lot of money in terms of what ordinary Canadians pay on their bank loans, what small business people pay on their loans, farmers and fishermen, consumers right across the board.

Talk about wasting money. That is an issue Parliament should be dealing with and dealing with promptly, particularly when all three political parties on the finance committee are saying the same thing. A tight money policy by the Bank of Canada, a tight money policy by the Minister of Finance is hurting this country. It is sending this country into a recession. It is creating

unemployment. Because of that, we should be moving concurrence in this particular motion.

I also want to make a comment about the GST and high interest rate policy and why I moved this motion today. The high interest rate policy is extremely relevant to the GST debate. One reason why the government is saying: "In this country we need to raise more money through the goods and service tax to help pay off the national debt". Well, one reason for the deficit being a problem and for the national debt being a problem in Canada, is that we have a high interest rate policy that is literally adding billions of dollars per year to the deficit in Canada.

I want to go back to April 26 of last year when the Minister of Finance made his very rushed budget appearance and divulged his budget to the country in the national press theatre after the leak. He said at that time that he fully anticipated that short-term interest rates in this country would drop to around 10 per cent by the time of his next budget in the spring of 1990. Well, that has not happened. Instead, interest rates have continued to stay high. They are about 2 per cent higher than the Minister of Finance forecast.

If you add two points to the bank rate in this country and you sustain that over a year, that will add approximately $3.2 billion or $3.5 billion to the deficit alone because of the national debt. Because of the high interest policy in this country this government is going to have to raise money in another way. They do that in part by a goods and service tax that puts a tax on everything from coffins to diapers for kids, to Big Macs, to haircuts, to taxis and all kinds of services that were never taxed in this country before.

The debate this morning is very relevant. I think this House should move in concert and concur in the finance committee report and say it is about time that John Crow come down out of his ivory tower and look at the reality, that high interest rates in this country are hurting the Government of Canada and the population of this country. They are slowing down the economy and creating unemployment. So the debate this morning is extremely relevant.

• (1140)

When this government came to power about five years ago in the fall of 1984 the national debt for the first time in 118 years in this country's history had reached around $160 billion.

Mr. Belsher: How much does it cost to carry it?

Mr. Nystrom: That debt is expensive to carry. In fact, that debt has more than doubled. By the end of this year estimates are that the national deficit in this country will be hitting around double that, that is to say around $380 billion. Here is a government which in five short years has doubled the national debt from $160 billion to some $380 billion. That is a lot of money.

Mr. Belsher: How much does it cost to carry that? You haven't answered the question.

Mr. Nystrom: The answer is around $45 billion this year. That is $45 billion this year because of the national debt.

The debate this morning is extremely relevant I suggest to my friend in the Conservative party. If it cost $45 billion to carry the national debt this year, then surely the House should spend a few hours today concurring in the finance committee report. That committee was chaired by the member for Mississauga, a committee that has eight members of the Conservative party on it. They have said to John Crow: "Look, enough is enough. Roll back the bank rate in this country so we can save money for the Government of Canada as well as save money for a lot of ordinary citizens from one part of this country to the other".

[*Translation*]

Mr. Speaker, the national debt is now nearly $380 billion. In the five years since the Conservative Prime Minister (Mr. Mulroney) was elected in 1984, the national debt has doubled. Five years ago, the national debt was $160 billion.

By the end of 1990, when it reaches $380 billions, the national debt will have more than doubled.

Mr. Speaker, we now have a report by the Finance Committee in which all three political parties said: enough is enough. Mr. Crow, the Governor of the Bank of Canada, no longer has any excuse for a monetary policy that has maintained interest rates in this country at excessively high levels.

[*English*]

Mr. Speaker, it is certainly too high. If we look across the border to the United States we find that the Federal Reserve in that country has kept the American bank rate at about 400 bases points lower than we have in this country. That is an historic high in terms of the difference between the United States and Canada. The bank rate in that country is about 4 per cent lower than here in Canada.

Why do we have this historic high? It is almost without precedent that the bank rate in this country is about 4 per cent higher than the bank rate in the United States.

Enough is enough. The Minister of Finance should intervene and say to the Governor of the Bank of Canada that enough is enough, the bank rate is hurting the government and putting people out of jobs. It is hurting farmers across this country as well. The bank rate must come down not by one point but by at least two points in the next few weeks to put our finances in order.

Why don't we as Canadians say: "What we need is a made-in-Canada interest rate policy"? Why don't we have that independence to assert ourselves and have a made-in-Canada interest rate policy that will help this country in terms of our productivity, in terms of our ordinary citizens from coast to coast?

The chairman of the finance committee committee disagrees very strongly with the Minister of Finance. Some of the Conservative members of the finance committee disagree with the Minister of Finance. My friend from Calgary disagrees with the Minister of Finance. He stands very strongly behind the chairman of the finance committee. The member from Calgary is saying: "Enough is enough, let us bring down the bank rate".

Why does this House not speak independently, strongly and clearly for once and say to the Minister of Finance: "Go and talk to John Crow. Take John Crow out of his ivory tower. Show him the real world. Show him how he is hurting this country with a tight money policy that drives up the cost of living for ordinary Canadians and throws people out of work"?

The real interest rate in this country is the difference between the interest rates and the cost of living. Today, it is running at the same levels that we saw in the recession of 1981-1982. We remember that. We have had members across the way talking about those Liberal days when the bank rate was extremely high, at around 17 per cent or 18 per cent, and the cost of living was running at about 12 per cent or 13 per cent. They are talking about how interest rates really hurt the people at that time. Of course that is true. But the difference between the bank rate and the cost of living at that time was no greater than it is today. The real interest rate today is at the same level as it was in the recession of 1981-1982.

I suggest to you, Mr. Speaker, that the time for action is now. The time to bring down the bank rate is now.

I want to go into some other reasons why that should be done. We have in this country now, if I can be blunt with the House in terms of where I come from, a farm debt crisis like we have not seen for a long time. I have talked to members in the Conservative party from the prairies over the last few days who are getting the same feedback and seeing the same reality in their ridings as we see in ours. It is that many farmers are being foreclosed upon by banks, credit unions and other financial institutions because farm income now is at a level that is much too low.

In fact, there are some municipalities in Saskatchewan where 48 per cent or more of the farmers in those municipalities have received foreclosure notices from banks or other financial institutions. One of the reasons why that is happening is that interest rates in this country are much too high and farmers simply cannot afford to pay the interest, let alone the principal, on the debts that they have incurred.

Surely to goodness, Mr. Speaker, this Parliament, if there is any relevancy at all to this place, should be saying; "We agree with the finance committee, the bank rate is too high. Mr. Crow, bring it down and bring it down now".

Interest rates are not the only reasons why farmers are in trouble. Price inputs are too high. The GST which is coming up will complicate matters for farmers in terms of the red tape and the bureaucracy they have to go through. Farm incomes are too low. What a farmer gets for a bushel of wheat today is not nearly as high in real dollars as what a farmer got back in the 1920s, the 1940s and the 1950s.

One reason for all this is that the bank rate is too high. One way of helping farmers in this country is by reducing the bank rate and forcing the chartered banks, the credit unions and the trust companies to reduce their rates as well. Of course the Farm Credit Corporation, which is run by the federal government, must also do the same.

[*Translation*]

There is also another sector, Mr. Speaker. There are many small businesses in this country that now have a problem with interest rates.

Three weeks ago, I was talking to a businessman in Yorkton, in my riding. He told me that sales were doing very well this year, but profits were down from last year. The only reason why profits were down compared to last year's was that now, interest rates were too high. Although he sells a lot in his business and, if I remember correctly, sales were better than they were last year, profits are down because interest rates are too high. This is a big problem for small businesses, for farmers and for practically everyone in this country.

[*English*]

I do not see why this House does not take the proper path and say yes to the chairman and the report of the finance committee of June 22, but say no to John Crow, tell him "interest rates are too high and the government will bring them down now". I suggest that members of the Conservative party get up and say the same thing. The hon. member from Calgary, the hon. member from Mississauga, the hon. member for Cambridge and others are on the finance committee. They and others supported that report last June. It is about time they got up here in the House and Commons and said: "Look, what we need now is action to bring down the interest rates in this country".

• (1150)

In two days, on Thursday, there will be another setting of the bank rate by the Governor of the Bank of Canada based on treasury bills and other things that are currently happening over there at the time we speak. It would not surprise me if the bank rate once again either remains about the same or creeps up a little bit. That again is going to be very difficult for the Canadian economy.

The bank rate is something that I said affects small business. It affects the farmers in this country. It affects people who want to build a house, expand their enterprise or their farm because mortgage rates and other rates remain very high. I suppose most of all it affects the poorer in this country because those people at the bottom of the economic scale are those who eventually will have to pay the greatest penalty when there is a tight money policy.

Why in a country that is so rich do the poor always have to pay? Why in a country that is so rich do the poor regions always have to pay?

We know the problems in Newfoundland right now. We know the problems in Atlantic Canada now. We know the problems in northern Canada and parts of western Canada. When I say northern Canada I include northern Ontario and northern Quebec. We know that the policy of the Minister of Finance and the policy of the Governor of the Bank of Canada is going to hit those regions of our country hardest. It will grind the economies of the impoverished parts of our country to an even slower and slower pace than they already are today.

Should we as a Parliament tolerate that? I think when Mr. Crow decides what the bank rate should be he climbs up on top of the CN Tower in Toronto and takes a look around. That is what he does. What he sees is a fair amount of affluence in Metropolitan Toronto.

One of the members across the way said maybe he should take a real jump into reality and get off that CN Tower. I agree.

I wonder if John Crow has visited Newfoundland in the last two or three years. I wonder if John Crow has ever paid a visit to rural Saskatchewan to see how the farmers in rural Saskatchewan are doing?

[*Translation*]

Mr. Speaker, if John Crow went to Gaspé, in the province of Quebec, he would know, in fact he must know the unemployment rate there is around 14, 15, 16 or 17 per cent. I wonder whether he went there, Mr. Speaker. I hope Conservative Members will take the same stand I do and support this motion this morning, a motion that was moved because the Standing Committee on Finance agreed that our present monetary policy is a threat to Canada's future.

[*English*]

Mr. Speaker, I know that you, as an Albertan, will be anxious to jump to your feet and say: "John Crow, you are hurting this country. Michael Wilson, talk to John Crow and let us have in Canada an interest rate policy made in this country that will help ordinary Canadians from one ocean to the other, from one part of this country to the other". We can do it if we have the will. We can do it if we listen to the finance committee. I suggest, Mr. Speaker, you get up on that chair and you throw off your robes and you make a speech with me. I am sure we can persuade the people in this House to agree. Why don't you give it a shot?

Some hon. members: Hear, hear!

Mr. Hawkes: Mr. Speaker, I have a couple of very quick questions to ask the member. Could he explain to the House, if he is so concerned about interest rate policy, why that was not the subject of debate last Thursday on his party's opposition day? Could he explain to the House why the NDP is so afraid of debating the goods and services tax in this chamber?

Mr. Nystrom: Mr. Speaker, there is a very simple answer to that question. Last Thursday, we were hopeful that John Crow would see the light. We did not think that John Crow would really increase the interest rates by 30 bases points. We had to decide at 11 o'clock the day before, which was a Wednesday, what our opposition day should be. We were optimistic that John Crow would see the light. In fact, members across the way were predicting two weeks earlier when the bank rate dropped in this country that perhaps we had turned the corner, perhaps the bank rate would come down. Then, of course, there was the effect on the Canadian dollar which, I suggest, was a good thing. The dollar started to come down a bit. John Crow panicked, the bank rate went up by 15 points two weeks ago and by another 13 bases points last week.

Now we are in a situation where we have no choice but to move concurrence on the finance committee report, led by the Conservative party chairman from Mississauga, supported by all eight members of the Conservative party who sit on that committee, the four Liberals and the two New Democrats. This is a unique occasion where all three parties on the finance committee are in concurrence on something of importance to this country.

I am surprised that the whip of the Conservative party would even ask such a question. He, coming from western Canada, should know the impact of the high interest rate policy in his city in his province of Alberta. He, of all people, who has a little bit of political experience, must know of the unrest in the province of Alberta against this current government. He, of all people, knows that in Alberta his party, despite the fact they won all but one seat in the election a year or so ago, are now running not second, not third, but fourth in the polls in the province of Alberta. He, of all people, who has studied psychology a little bit, must realize that one of the reasons, aside from the GST and the general incompetency of the government, is the high interest rate policy of this government. He, of all people, should realize that, but perhaps I have over-estimated his abilities. If I have, I apologize to him.

Mr. Hawkes: Mr. Speaker, the member failed to answer the question of why his party is afraid to debate the GST in this Chamber, and I would really like to know.

Mr. Nystrom: Mr. Speaker, I have already said that one of the things that is relevant to the GST is the high interest rate policy. One reason why the Conservative Party wants a goods and services tax on Big Macs and on many foods eaten at restaurants by ordinary people is that they are trying to pay off the national debt. One reason for the national debt is that we have a high interest policy.

I want a full and free debate on the GST, not only in this Chamber, but a full and free debate of the GST across the country. I publicly challenge the government whip to a debate between himself and myself in Calgary. Let us do that in Calgary. Let us go to Calgary and have a public debate on the merits of the GST. If he has any courage, if he is really a representative of Albertans, he will get up and say yes. So I turn the question back to him: Will you accept a debate in Calgary? We will set a time, place and get ourselves a neutral mediator and away we go. Do you agree?

Mr. Hawkes: Mr. Speaker, I indicated to the House that I would be very happy to accept that challenge provided I do not have to wait until his speech writer

returns from a strike. Can we do it soon rather than having to wait around for the speech writer to come off strike?

The Acting Speaker (Mr. Paproski): I believe there is another question or comment. The hon. member for Yorkton—Melville.

Mr. Nystrom: I think you can tell from my speeches that I do not use speech writers, Mr. Speaker. We are not allowed to read speeches in the House, as you know. I respect the rules of the House. I could do like some government back-benchers, I guess, and get up and read a long monotonous speech, but I do not know who would write the speech. I do not know of any speech writers who are on strike now.

I am glad that the member for Calgary will accept a debate. Perhaps we can arrange that as soon as possible, the sooner the better. I am sure his constituents will be very glad to hear that. Let us head out to Calgary and find an independent organization to sponsor it and have a good debate.

The Acting Speaker (Mr. Paproski): Resuming debate with the hon. member for St. John's East.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, like all Members of this House, I would love to spend the day having a debate on concurrence in the finance committee's report of last June. Frankly, Mr. Speaker, I would like nothing more than to see you in full flight, robes off, standing on the chair, as suggested by my hon. friend across the way.

• (1200)

It is very clear that one of the most important things this House should be debating today is the goods and services tax. The debates across this country should start here in this House and we should not carry on as we have been doing.

Therefore, I move:

That the House do now proceed to Orders of the Day.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was agreed to on the following division.

(*Division No. 185*)

YEAS

Members

Anderson	Atkinson
Attewell	Beatty
Belsher	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Bouchard (Lac-Saint-Jean)
Bourgault	Boyer
Brightwell	Browes
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Cole	Cook
Corbeil	Corbett
Côté	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Horner
Hudon	Hughes
Jacques	James
Johnson	Joncas
Kempling	Koury
Landry	Larrivée
Layton	Lewis
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	MacKay
Marin	Martin (Lincoln)
Masse	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
Monteith	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Plourde	Porter
Pronovost	Reid
Reimer	Ricard
Richardson	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon

Sobeski	Sparrow
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Rosemont)
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Winegard
Worthy—132	

NAYS

Members

Allmand	Althouse
Anawak	Angus
Arseneault	Assad
Axworthy (Saskatoon—Clark's Crossing)	Baker
Barrett	Bélair
Bellemare	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Blondin
Boudria	Butland
Caccia	Catterall
Clancy	Comuzzi
Crawford	Dingwall
Dionne	Duhamel
Ferguson	Flis
Fontana	Foster
Fulton	Funk
Gaffney	Gardiner
Gauthier	Guarnieri
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacDonald (Dartmouth)
MacLaren	MacWilliam
Maheu	Manley
Marleau	McCurdy
McGuire	Mifflin
Milliken	Nault
Nystrom	Pagtakhan
Parent	Parker
Peterson	Phinney
Pickard	Proud
Rideout	Riis
Robichaud	Robinson
Rocheleau	Rodriguez
Samson	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Vanclief	Volpe
Waddell	Walker
Whittaker	Wood
Young (Gloucester)	Young (Beaches—Woodbine)—88

The Acting Speaker (Mr. Paproski): I declare the motion carried.

* * *

POINT OF ORDER

OFFICIAL LANGUAGES

The Acting Speaker (Mr. Paproski): The hon. member for Ottawa—Vanier on a point of order.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have given the Chair notice two days in a row that I would like to propose a motion for an emergency debate according to Standing Order 52.

Yesterday and today I have been unable to propose that motion to you for debate. I just wondered if there would be unanimous consent today for me to at least put the motion for you, Mr. Speaker, to decide whether that motion will be debated tonight.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate my hon. friend's concern that we did not have a normal Routine Proceedings. Yesterday my hon. friend's leader made a suggestion during Question Period *vis-a-vis* a motion to debate a very important issue in the country to which I believe my hon. member is referring.

We had an opportunity to review the motion and do some thinking on our own. Last evening on television my hon. friend suggested that he could go along with our motion with the change of one word. We have agreed to change that word. I think we are making progress on entertaining a full debate but we are not there yet. We obviously want to have some time to discuss it with our caucuses.

In the alternative, if the Chair wishes to entertain a motion for an emergency debate, the government would not stand in the way of such a motion. We just want to indicate that we are making progress toward perhaps a full debate in the House.

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops on the same point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I simply want to indicate very clearly that the matter before us in terms of the motion that is being examined is an appropriate initiative suggested by the leader of the Official Opposition and being responded to now by both the government and the New Democratic Party. Those discussions and deliberations are under way.

I do think the issue that the hon. member for Ottawa—Vanier wants to bring before the Speaker in terms of making a case for an emergency debate is of sufficient importance that I am prepared to say, on behalf of my party, that we would be prepared to give unanimous consent to allow the hon. member to put his case now.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I sort of divine the purport of the motion of the hon. member for Ottawa—Vanier. I do not want to get into the substance but, quite frankly, I am not aware of the wording of the motion which I gather is on a very serious, fundamental, substantive subject. As far as I am concerned, not being involved in these House discussions, I am a little leery of giving consent.

I think the House leader for the government was proper in his initial reply to say that he wanted to discuss whatever the suggestion was with caucus members. All the parties are going to meet in caucus tomorrow. If we then know that it is one word changed or three words changed, or whatever the substance of the motion, then obviously, undoubtedly, we will have a debate.

But until this member knows what we are talking about, I refuse to give consent in a vacuum.

The Acting Speaker (Mr. Paproski): Therefore, there is not unanimous consent. Orders of the Day.

The hon. member for Glengarry—Prescott—Russell on a point of order.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on a point of order I just wanted to very briefly make sure that the House understood what it is that you were asking unanimous consent for. It seems that some members were under the mistaken impression that unanimous consent was being sought for the purposes of introducing a motion.

Unanimous consent was being sought by the member for Ottawa—Vanier for the purpose of reverting to the procedure in Routine Proceedings to introduce to you, Mr. Speaker, a point under Standing Order 52. Perhaps the House was not quite clear on that, and it would assist if the House were reminded. I hope that unanimous consent can then be achieved.

• (1250)

The Acting Speaker (Mr. Paproski): I believed that everyone was aware that the hon. member for Ottawa—Vanier has risen twice now in the last couple of days in order to bring his motion under Standing Order 52 for an emergency debate. But I can ask for unanimous consent again. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is not unanimous consent. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Monday, February 5, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7569).

The Acting Speaker (Mr. Paproski): The hon. member for Yorkton—Melville has the floor.

The hon. member for Thunder Bay—Atikokan on a point of order.

Mr. Angus: Mr. Speaker, if you will remember, on a previous occasion the Speaker ruled that following the speech of hon. member for Okanagan—Similkameen—Merritt the House did have an opportunity for a 10-minute question and answer period. That decision was rendered after the normal scheduled time for the House to have the opportunity to question the hon. member.

I am wondering, Sir, since the member is in the House, if this is the appropriate time to see whether the House has any questions for the member for Okanagan—Similkameen—Merritt, on the understanding that this in no way affects the rotation in which you will call the hon. member for Yorkton—Melville.

The Acting Speaker (Mr. Paproski): The Minister of Justice and Government House Leader.

Mr. Lewis: Mr. Speaker, I want to indicate, on behalf of the government, that the government is always prepared to debate this particular bill. The hon. member who now sought to have questions put to a member because that member is in the House is the same hon. member who participated in the decision in his caucus to move a motion to concur in a motion and thereby delay debate in the House. I think, once and for all, the New

Democratic Party should get its position together as to whether it wants to debate this bill or not.

The Acting Speaker (Mr. Paproski): Yes, I believe the Speaker at the time did rule that the hon. member for Okanagan–Similkameen–Merritt would have an opportunity for a question and comment period, provided he was in his seat the next time debate on the bill resumed. Debate on the bill did resume yesterday and the hon. member was not in his chair. Therefore, he loses his opportunity and I will now recognize the hon. member for Yorkton—Melville on debate.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to say a few words on second reading of the bill on the GST. To begin with I want to make an appeal to the government back–benchers across the way to listen to their constituents. We do live in a democracy, and it seems to me that in a democracy you are morally bound to express the points of view of the people who elected you to the House of Commons.

I know that at times you have to go with conscience on what I would call moral issues, and I speak here in terms of capital punishment, abortion, and things of that nature. However, on a fundamental tax bill, I am sure that members across the way would agree that they should, to the best of their ability, reflect what their constituents are saying.

I see that my friend from Edmonton has already jumped to his feet and he wants to say a few words. His conscience is bothering him. Edmontonians, I know, are speaking *en masse* against the GST and, for reasons such as this, the hon. member is now running fourth in his riding according to polls that have been taken. I am sure that he wants to get up here and speak on behalf of his people.

It is a long time since I have seen such overwhelming opposition to a government measure as we have seen today. I noticed in the Gallup poll about a week ago that 56 per cent of those who voted for the Conservative Party in November of 1988 are now saying no to the GST, and they are saying no in a very loud, clear, efficient and effective way. I think the time has come when members of the Conservative Party, outside of the two or three who are very courageous, should start getting up and expressing what their constituents are saying.

Surely the chambers of commerce must know how this affects business in this country. Surely the Retail Council of Canada must know of what they speak when they say it will add millions of dollars per year of extra administrative costs. Surely the farmers of this country must know what they are saying when they say this will add millions of dollars per year in terms of administrative costs and extra book work. Surely the trade unions must know of what they speak when they say that this will drive up the cost of living and make things more difficult for their people. Surely the low–income groups in this country must know of what they speak when they say that this tax will hit hardest the poor people and the low–income people of this country.

Surely members of the Conservative Party in this House who have some intelligence and experience must know that their constituents are saying, "Speak up loudly and clearly against this tax which will hurt the people of this country". We have many intelligent members across the way.

I look, for example, at my friend from Lethbridge who is a long–time member of the House and the Conservative Party. He is a man who speaks his mind and a man who has great admiration for his Premier in Alberta. He has great admiration for Don Getty and tremendous admiration for Dick Johnston, the Treasurer of that province. I know that before this month is out he is going to join other Alberta MPs and will speak out against the goods and service tax because he wants to reflect Albertans in this House. He has tremendous admiration for that Premier and tremendous admiration for the tradition of his Party and, of course, for his constituents. He also has tremendous fear about what the voters in that riding will do if he does not do that. That is why I expect he will be speaking out loudly and clearly against what the chairman of the finance committee calls the gouge and the screw tax in this country.

I know some members of Parliament from Ontario may not feel as strongly. The member for Cambridge comes from a riding where there are a lot more wealthier Canadians. There are exporters and manufacturers and some of those people are in favour of this tax. But I appeal to my Albertan colleagues in particular to get up

and defend their Premier and their constituents and what their own party is calling for.

Surely that is a democracy. They know that this is the single biggest tax grab in the history of this country.

Mr. Oberle: Be truthful.

Mr. Nystrom: The member from British Columbia says, "be truthful". That is what he says. I am talking about the people of this country and that they are saying that this is the single biggest tax grab in the history of this country. Here he is criticizing the people of this country. Every single Premier in this country, including his hero Vander Zalm, is saying no to this grief and suffering tax.

Here is the member from Prince George, whose hero is Premier Vander Zalm. Vander Zalm is saying no and yet he is not falling into line. I ask you, Mr. Speaker, why does the member from Prince George not reflect what his constituents are saying? They are saying no to this tax. They are saying it is the biggest tax grab in the history of this country. They are saying it is a very regressive tax. They say it is going to throw this country into recession. They are saying it is going to be inflationary. They are saying it is going to be tough on ordinary folk and the poor people in this country.

It is about time that the member from Prince George spoke his mind in this House of Commons, put his job as a cabinet minister on the line and defended the interests of his constituents and the interests of the people of British Columbia. Is it any wonder why the Conservative Party across the way, the 22 per cent—

The Acting Speaker (Mr. Paproski): The hon. member will have 14 minutes left in his debate plus 10 minutes for questions and comments.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 31

STATEMENTS PURSUANT TO S. O. 31

[*English*]

VIA RAIL

Mr. George Proud (Hillsborough): Mr. Speaker, on January 15 nearly 3,000 VIA workers lost their jobs as a result of the federal government slashing 17 VIA routes across the country.

For the past three weeks, these laid-off workers have been waiting to receive their record of employment, which is a necessity when filing for unemployment insurance. Without this record, workers cannot receive unemployment insurance. Nor can they receive income security, as this is dependent upon the amount received from the UI fund. The legal limit for the provision of a record of employment by the former employer is five calendar days from the interruption of work.

How can these people be expected to look after themselves, much less their dependents, while they are forced to wait for their UI cheques? How can the government allow a Crown corporation to break the law with such blatant disrespect for workers and their families?

VIA has blamed the delay upon Canada Post. This is an unacceptable excuse for the workers and should be unacceptable for the government.

* * *

NATIONAL UNITY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, the city of Sault Ste. Marie is under siege. We are called bigots and racists. This debate is about Canadian unity and I ask the media and all politicians to bring the debate to a higher level.

Condemning Canadian citizens does nothing to improve the mood in my community or in the country. There was a demonstration last night in Sault Ste. Marie to protest council's decision. Francophones and others are justifiably offended and justifiably fearful. They are a threat to no one and deserve to be treated with dignity.

Yes, we have problems in our community. Yes, there is divisiveness and, yes, there is tension. Outside interference from whatever source or side at this point is not helpful and will only aggravate the tension. Give us some

time and reconciliation will result. Give us some time and tolerance and understanding will prevail. This tolerance will come from dialogue among all parties. I ask you not to judge.

* * *

EGYPT

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, the murder of at least eight Israeli tourists in Egypt is a reminder of the difficulties of moving beyond hatred and violence toward peace and negotiations.

It is profoundly distressing that terrorists persist in taking innocent lives in the pursuit of destructive political goals. At a time when negotiations between Israel, Egypt and the United States are gathering momentum in the search for a peaceful resolution to the Arab-Israeli conflict, this attack reminds us that there are forces in the region who view peace and negotiations as an obstacle to their goals.

There can be but one response to such an act, that is to intensify and strengthen our support for the peace process. I am sure that all members of this House join me in expressing our condolences to the families of the victims of this senseless attack.

* * *

THE LATE WHIPPER BILLY WATSON

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I rise today to pay tribute to Whipper Billy Watson, a constituent and a friend who died this past Sunday at the age of 74.

Whipper was a professional wrestler who was a good guy, a five-time world champion, a man who took part in 7,000 bouts over 35 years, whose career ended in 1971 after a tragic car accident.

It is outside the ring where his efforts really took effect. For over 30 years he was associated with the Easter Seal society. I think most of us can picture Whipper hoisting Timmy and Tammy, and often both of them, on his broad shoulders every year.

He was also involved with the Canadian Rehabilitation Council, the Ontario Council for the Disabled, the Canadian Paraplegic Association, the Multiple Sclerosis Society and particularly with the York County Hospital where he was the prime mover in raising funds for the therapeutic pool that has been named after him.

Our thoughts are with his wife, his children, and his many friends. Whipper Billy Watson, a great Canadian, will be truly missed.

Some hon. members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, Regina is the Saskatchewan-Manitoba regional production facility for *Switchback*. The CBC has recently announced that the children's show, *Switchback,* has been eliminated as a cost-cutting measure. While I recognize and appreciate the CBC's significant effort in trimming its fat, I do not understand this decision.

We are a country that is as strong as its regions. While regional CBC people were asked for their proposals, I am afraid that the question begged the response given. It seems to me that we have cut the limbs off the tree to nurture the trunk. *Switchback* represents new limbs. It is inappropriate pruning.

Switchback was quality children's programming that was watched by a third of the viewing audience in Regina and more than half in Saskatoon. Has this year-round program been sacrificed so that CBC can continue to focus coverage on one-time spectaculars?

What other CBC programming is available to this new generation of TV viewers? I hope that this decision is not irreversible and that reconsideration can be given.

* * *

GOODS AND SERVICES TAX

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this government has been trying to convince everyone that the Prime Minister and his Minister of Finance have found the solution to their own sad record of mismanaging this country's finances.

The goods and services tax is a complex system that is going to confuse Canadians and cause horrendous difficulties for small business people. It is without a doubt a plan to perform the biggest tax grab in Canadian history. All the rhetoric in the world conjured up by this

government and its back-benchers will not justify nor clarify this confusing system.

The government has not guaranteed that the 7 per cent rate will not be raised after the tax is implemented.

The Minister of Finance promised the GST would be visible; instead, it is hidden. He promised the GST would be fair to middle and low-income Canadians; it is not. He promised that small businesses would be adequately compensated; they are not.

The GST is the key element in the government's strategy to redesign the Canadian tax system in a way that favours corporations and the rich at the expense of almost everyone else.

* * *

[*Translation*]

REAL ESTATE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, there has been a dramatic development in the real estate business. "Paul Legault buys the Permanent, the largest MLS real estate brokerage firm in Quebec" headlined an article in the *Journal de Montréal* on January 11.

Paul Legault, who has headed the Permanent since 1975, is a hard-driving man. He has a keen sense of marketing and innovation. He was the first broker to advertise individual properties on the radio, back in 1976. He also was the first to use video for selling homes and to set up exhibition booths in shopping centres.

Today, he is bringing the Permanent back to Quebec.

Mr. Speaker, I knew Paul Legault when he worked on technical surveys for Hydro-Québec at Matagami in the James Bay area in 1967 and on behalf of Quebecers, I wish to congratulate him and all the real estate agents at the Permanent.

* * *

[*English*]

MCCARRAN-WALTER ACT

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, *glasnost* has at last arrived in the land of the free and the home of the brave. The United States of America has repealed the McCarran-Walter Act which had frozen their McCarthy-type immigration restrictions.

Forty years ago my then fiancee, Alice, working in the weiner room at Canada Packers in Montreal, taking skins off the skinless weiners, was elected to represent her local of the CIO packinghouse workers at their international union convention in Minneapolis. Because of that union's previous embarrassments at the U.S. border, her union directed her to get a visa to the U.S.

She went to the U.S. consulate and found that they suspected her of having undesirable political opinions. They asked her questions about her friends, their doings and their ideas. She refused to answer. They told her sweetly: "Any time you want a visa to the U.S. come back and we'll talk some more. Meanwhile, if you are found in the U.S. you can be imprisoned for a year and fined $1,000." I married her anyway.

Some hon. members: Hear, hear!

Mr. Heap: Now when Alice goes to visit friends in the United States she no longer will run the danger of imprisonment. The land of the free has begun to open its borders. Congratulations, Alice!

* * *

NATIONAL BURNS AWARENESS WEEK

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, this past Sunday marked the beginning of a very important week in Canada.

Through the efforts of the Canadian Association of Fire Chiefs and the Shrine of North America, in particular its program chairman, Mr. Don Bernard of Sarnia, Ontario, the week of February 4 through February 10 has been recognized as the first annual National Burns Awareness Week, a week which has been endorsed by the Minister of National Health and Welfare. Burn injuries continue to be one of the leading causes of accidental deaths in this country especially among our children, our elderly and our disabled. Yet it is estimated that 75 per cent of these injuries could be prevented through greater public awareness and better education. More widespread use of smoke detectors, home escape plans, as well as other procedures and techniques are essential to addressing the problem of burn injuries.

• (1410)

In light of these efforts, I strongly encourage all members of this House and indeed all Canadians to lend their support in the recognition of National Burns Awareness Week.

* * *

GOODS AND SERVICES TAX

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, there were two erroneous statements made by the Minister of Finance regarding the impact of the GST on the northern territories and on aboriginal peoples of Canada.

First, the minister claims a comprehensive study was conducted on the impact the GST will have on the Northwest Territories. Not true. If you look at Chart 4 on page 29 of the GST document it clearly shows that the northern territories were excluded from analysis. That is because there are no gains to be presented.

I challenge the minister to explain how he can state in the House that the Northwest Territories' economy will grow if the GST is implemented when he has not even looked north of 60. He does not know the cost of living in the north and he does not care.

Second, the minister states on the one hand that aboriginal people will benefit from the tax because they will be exempt under Section 87 of the Indian Act. On the other hand, the government states that this exemption raises several questions of interpretation. It has been the experience of aboriginal people that when their rights are left to the interpretation of this government they always lose.

We, as citizens of this great country, have the right to express our displeasure when government creates programs that will have negative impacts on the majority of Canadians.

* * *

EGYPT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the world was stunned by the news that a bloody massacre had been perpetrated against innocent Israeli citizens in the Suez region of Egypt. It is no less an outrage that Egyptian lives were also lost.

I join with others in the Parliament of Canada in condemning these brutal, terrorist activities against blameless citizens. Rather than impede the process of a peaceful settlement, which was no doubt the intention of the murderers, hopefully it will reinforce the urgent necessity of bringing all parties to the table so that the lives of future generations of Jews and Arabs alike may be spent in harmony and peace.

* * *

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, in December 1986 then Trade Minister Pat Carney and the Conservative Government sold out the Canadian softwood lumber industry by agreeing to the softwood lumber tariff. Since then provincial Ministry of Forests officials, especially from B.C., have had to travel to Washington, D.C., to present our forest management plans for American review.

The Minister of Forests should confirm whether Canadian officials are attending these meetings and table in the House today the 64 directives the Americans have issued to the Canadian government on the tariff. The forest community must know what specific steps are being taken to end this punitive tariff.

* * *

[*Translation*]

RIDING OF CHAMBLY

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, if we go by the most recent opinion polls in the Chambly riding, it would seem that the NDP is a few days away from having a Quebec caucus. Although the New Democratic candidate is trying as best he can to distance himself from his party's policies, he *is* a member of that party and some day will have to accept its position against the Meech Lake Accord.

Before running under that banner, he would have done better to remember the unfortunate lesson of his Quebec predecessor in the NDP, the former member for Terrebonne, whom I know very well and who only lasted 10 months in that party. Ten months after joining the

New Democrats, he had to resign, sincerely and bitterly regretting having joined a party controlled by extreme left-wing elements who in fact were opposed to recognizing Quebec's distinct character and culture.

The New Democratic candidate in Chambly, instead of hiding his allegiance to this party which despises Quebec's interests, should right away dissociate himself and stop lying hypocritically to the voters of Chambly whom he is misleading by promising to defend their interests and those of Quebecers within a party which develops its policies to suit the Ontario labour unions, anti-Meech sentiment and anti-Quebec and anti-French feeling.

* * *

[*English*]

UNEMPLOYMENT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, all Nova Scotians welcome the news that the town of Canso may be spared closure of its fish plant in the immediate future. However, the announcement of an agreement has raised some eyebrows in Western Queens and Shelburne Counties where plants in Port Mouton and Lockeport have already been closed for several months and where some workers have already exhausted their UI claims.

Similarly, plants have permanently closed in Shag Harbour, Woods Harbour and Bear Point. These people do not understand why governments in Halifax and Ottawa felt it was so urgent to allow Canso to jump the queue, as it were, and why responding to impending closures in Canso and St. John's was more urgent than actual closures in southern Nova Scotia.

I urge the government to now increase its efforts to complete and announce aid packages, including community development funding for Western Queens and Shelburne Counties as soon as possible.

* * *

CANADA POST

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on February 1, Canada Post implemented its commercial freight rates in a manner that increased the costs by 40 per cent to Canadians living in the north. In communities such as in northern Quebec and in the Northwest Territories, consumers will have their cost of living increased in some instances by as much as 20 per cent.

The Consumer and Corporate Affairs and Government Operations Committee adopted a resolution last week asking the federal government and Canada Post to extend the moratorium on any increase in Canada Post northern commercial freight rates for a further nine months.

The committee also asked Canada Post to undertake meaningful consultation with the people of the north to make sure that the people of those communities are not mistreated in the manner in which they have been by Canada Post in the past.

My colleagues in the Liberal party join me in asking the government to heed the advice of the parliamentary Committee of Consumer and Corporate Affairs and Government Operations.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. The legislation bringing in the government's new sales tax is the most massive change in our tax system since the introduction of the personal income tax in 1917. This new tax will take billions of dollars more out of Canadian taxpayers' pockets.

This bill is 323 pages. It is full of complex mathematical formulae. It is full of complicated descriptions of what new services are taxable and which goods are zero rated, in other words exempt. It is full of legislative jargon which needs to be fully debated by this House and fully understood by Canadians. Yet the government is planning to rob Canadians of that opportunity by cutting off debate and invoking the heavy hand of closure to stifle debate in this House of Commons.

My question to the Prime Minister is this: Why will the government not allow a full discussion of this legislation? Why is his government even considering the use of what the Deputy Prime Minister of Canada once said when he was on this side of the House, and I use his words—I could not do better—when he called closure "one of the

most repugnant and most destructive devices ever perpetrated on the democratic process".

Some hon. members: Hear, hear!

Mr. Turner (Vancouver Quadra): Will the Prime Minister consult his seatmate and prevail upon the House Leader to open up debate so that Canadians can have the full picture on this sales tax?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate my hon. friend's concern for debate.

On Wednesday, January 24, it took three votes by the NDP to introduce Private Members' Bills. That wasted Wednesday, January 24.

On Thursday, January 25, we moved to Orders of the Day.

On Friday, January 26, it took one vote to dispose of committee concurrence, another vote to dispose of "that another member be heard".

We have had dilatory tactic after dilatory tactic.

Today, I offer to the House the opportunity to debate this fully. I offer once again the opportunity to debate this fully. We are prepared to extend hours this evening if my hon. friends in the opposition parties want to debate this tonight. I suggest to them that they join with us in extending hours tonight so that we can end debate.

• (1420)

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Leader of the Government in the House of Commons has had a change of heart. He is much more tolerant this afternoon.

Liberal members alone have collected over 400,000 signatures of people who object to the new sales tax. Add to this figure the signatures collected by NDP members and even by Conservative members, those people across the way who are afraid to present this petition here in the House.

Mr. Speaker, Canadians object to this tax for a number of reasons. It is a clear contradiction of the promises made by the Prime Minister during the last election. There is no collaboration with the provinces. It means double taxation, two sales taxes, no visibility, no simplicity, no neutrality!

Mr. Speaker—

An hon. member: Question!

Mr. Speaker: Order!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I am not sure whether you rose because of me or because of that ruckus opposite!

An hon. member: Because of the ruckus!

Mr. Speaker: I can assure the right hon. member that he was the reason I rose. Perhaps you would like to put your question.

Mr. Turner (Vancouver Quadra): You maintain your customary composure, Mr. Speaker.

Why—and my question is directed to the Prime Minister—why is the government so anxious to have this bill rushed through the House? So it can rush it to the ad people and media manipulators, to try and fool Canadians?

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, we are ready for the debate this afternoon. Are you?

[*English*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are ready, if the minister will withdraw his notice of closure. If the minister will withdraw that, then we can talk some business.

I want to say to the minister and through him to the Prime Minister that although he is the House Leader, the Prime Minister is still the senior member of the House.

We have had less than six hours of debate on this measure, a measure which will revolutionize the tax system in this country. Yet this government does not care to listen to the thousands of Canadians who have talked to their members of Parliament. Their members of Parliament deserve to be heard in this House.

The government does not care to listen to the hundreds of thousands of Canadians who have taken the trouble to sign petitions, delivered again to Your Honour as Speaker of this House.

If the government proceeds to use this measure of closure—and it has given every indication that it will—then it will be the eleventh time since December 1988, since this session of Parliament began, that it has invoked the Draconian measure of closure, of stifling debate.

That is unprecedented in the history of Canadian Parliament.

Some hon. members: Shame, shame!

Mr. Turner (Vancouver Quadra): Will the Prime Minister, now that he has had a briefing from his House leader, give us and all Canadians the assurance that we will have a full opportunity to debate in this House what is a revolutionary tax measure?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with respect to the question of sales tax reform, my right hon. friend seems to suggest that it is a bit of a surprise for him. It has been recommended in five major studies for the government, going back to the Rowell–Sirois Commission in 1940.

A new sales tax was discussed in the White Paper on Taxation in June, 1987. From 1987 to 1989 the House finance committee carried out studies. A sales tax reform paper was issued with the budget of April, 1989. Draft legislation was tabled in October, 1989. There were revisions to the GST proposal in December, 1989. Legislation was tabled on January 24. Since that time the Opposition has been engaged in dilatory procedural tactics.

But if the Leader of the Opposition is ready to drop his vexatious and dilatory actions, then we will extend hours and begin debate immediately, tonight, tomorrow, tomorrow night.

Some hon. members: Hear, hear!

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance.

The Minister of Finance continues his losing propaganda war with these latest pamphlets—slick, biased and incomplete—dealing with the GST. He will not listen to the hundreds of thousands of Canadians who have signed petitions against the GST.

Since the government is sending out nearly two million of these booklets—and there are four or five to each of the kits—I want to know from the Minister of Finance how many Canadians have requested the pamphlets with which the minister is inundating the country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member's leader has just made the point that there have been a number of petitions submitted to the Speaker expressing some concerns about the GST. Surely, my hon. colleague would like to see those people receive a copy of these brochures.

Some hon. members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Surely the people in the small business community who have expressed some concerns, some interest and some desire to understand how the GST will affect them will be quite interested in receiving a copy of a brochure which sets out, in a good amount of detail, how the GST affects them, how they should register, how they should collect it, how they will recover the GST from their purchases and how the GST will improve their cash flow from what is the case.

Mr. Marchi: Come on, Mike, even Brian's laughing.

Some hon. members: Oh, oh!

Mr. Speaker: The minister will complete his answer.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I think the opposition parties have made my point for me. On pages 18 and 19 there is a very clear illustration of exactly how the GST will improve the cash flow of small businesses in this country. That is precisely why we want to get this information into the hands of the opposition, as well as into the hands of the small business community.

Mr. Douglas Young (Gloucester): Mr. Speaker, the 80,000 businesses represented by the Canadian Federation of Independent Business do not quite agree with the minister.

[*Translation*]

My question to the Minister of Finance, Mr. Speaker, is that we now know that the propaganda campaign is still on. We know that it is going to cost millions of dollars. Does the Minister still intend to speak taxpayers' money before his bill has been passed by the Parliament of Canada? And now, as a result of this propaganda campaign, will we have an army of tax collectors, the 4,000 new employees of the Department of National Revenue who will go to get the tax from the pockets of Canadian taxpayers? Do you still intend to hire 4,000 tax collectors?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the hon. member ignores in his question is the fact that there is already a tax in place

that collects $18 billion from the Canadian consumers today. The GST will replace that tax.

My hon. friend talks about the Canadian Federation of Independent Business. I have letters from members of the CFIB who have listened to the rhetoric of their president—

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): —but they have not heard about the information that is in this document. They are interested in knowing right away about this document, about the ways that the GST will affect them, how it can help in their businesses and how it can affect their record keeping—all of those matters which are important to its implementation.

These people want to get the information so they can plan and prepare so that they can be ready for it when January 1, 1991, comes around and the GST is implemented.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Finance. On the front page of today's *Montreal Gazette*, there is a photo of 775 seniors lined up, at 7:30 a.m. yesterday, to receive food from a food bank. Seven hundred and seventy-five seniors! Mr. Speaker, this is national disgrace! And at the same time, the Minister is trying to convince seniors that the GST is good for them. Seniors deserve to live out their old age in dignity, not in food bank lineups. What is the Minister prepared to do for senior citizens?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that I am quite safe in saying that those 775 senior citizens to whom the Leader of the New Democratic Party refers will be better off after the GST than they are today.

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I would like to ask my hon. friend whether she has taken the time to tell senior citizens that food in food banks is not subject to tax.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Basic groceries are not subject to tax. Meals on Wheels is not subject to tax. Meals in nursing homes are not subject to tax. No tax will be charged on health care, on dental care, on residential rents, on prescription drugs, nor on medical devices.

All of that, plus the fact the GST credit will help those very people is the reason that I say they will be better off. They will be receiving the GST credit four times a year, by cheque. Seventy-five per cent of senior citizens will be better off after the GST than they are today.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am sure that Canadians will look forward to seeing the headlines tomorrow and will rejoice when they see that food banks will not be taxed by this government.

Let the minister tell the over 15,000 old age pensioners who go to food banks across this country every month that they will be better off under the goods and services tax. Let him prove that the increased inflation caused by the GST, under the minister's own admission, will not hurt pensioners and those on low incomes. Let the minister prove that the poor will be better off with the goods and services tax.

Will the minister now withdraw this tax and stop trying to convince Canadians who don't believe it that this tax will be good for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have demonstrated in income tax reform how we took 850,000 off the tax rolls so that they were paying no tax whereas previously they were. We are following this very same approach with sales tax reform.

I have listened to my hon. friend say on a number of occasions that senior citizens will not be better off. I have demonstrated in the brochures and in the technical paper that I have produced in connection with the GST that these people will be better off.

Those figures were not produced by me. They were produced by public servants who are working in the best interests of this country and who are doing this work to the best of their ability.

Those figures point out that 84 per cent of senior citizens will receive the credit. If the hon. member cannot prove that that is wrong, then she should not

continue spouting this incorrect information which is leading senior citizens astray.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I suggest that the minister attend the next food bank for senior citizens in Montreal and explain his views to them.

Some hon. members: Hear, hear!

Ms. McLaughlin: The minister refers to the brochure—a brochure which cost taxpayers $1.3 million—sent out to businesses and ensuring small businesses that they will have, and I quote, "lower operating costs, improved cash flow and a more competitive edge".

I suggest that the minister is not going to have any better luck explaining his position to small business than he is to senior citizens.

My question is simple. Has the government taken into account the expected lost revenue in its budget preparations? Has it told small business that the goods and services tax means lost business?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member makes reference to one particular item. She says that it will not improve their cash flow. She is referring to the part in this document which shows that it will do that; that it will improve their cash flow.

If she disagrees with that, if she can produce the figures to show me that that is the case, that shows me that this is wrong, then I would like to see those figures.

* * *

TRANSPORT

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is for the Minister of Transport.

Is the Minister aware of the status of the trucking industry in Canada at the present time which is engaged in an absolute fight for its very existence, a fight brought about by high costs, regulatory structure and because of the total Canadian tax structure?

How can our trucking industry compete for contracts under these conditions? Will he now admit that present government policies have created conditions which are forcing the Canadian trucking industry to move to the United States in order to compete?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the hon. member is wrong, first because since deregulation, the trucking industry has experienced considerable growth. He also ought to know that the provinces now have more responsibilities and broader jurisdiction in the trucking sector, that there is co-operation with the provinces, and that we are trying, both through the highway safety code, the legislation and the agreements we have in the trucking sector, to help the industry continue to develop. In any case, I can give the hon. member the assurance that especially since deregulation, the industry has experienced considerable growth in this country, Mr. Speaker.

[*English*]

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I beg to differ about who is understanding the trucking industry the best.

In the last two months Ford Motor Co. of Windsor has given $50 million out of $55 million worth of business to United States trucking firms.

The owner of the fifth largest Canadian trucking company is in my riding, Canada Transport of Belleville. He has moved 250 jobs in the last two months to the United States of America because he cannot compete under the present conditions in this country.

What has the government done and what is it going to do to keep the Canadian trucking industry in Canada?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I will maintain what I said before.

The trucking industry in Canada has known since 1985 about the developments. We have had rationalization in the industry, which we know very well. We are once again working with the provinces.

I should add also that the trucking industry under the GST will be a clear winner.

* * *

[*Translation*]

FINANCIAL INSTITUTIONS

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Minister of Finance. The Minister promised that before April 19 this year, he would grant letters patent so that American Express

could start Canadian banking operations. Does that promise still stand?

[*English*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, given the enormous amount of work that has been undertaken over the past year, particularly in preparing financial institution reform, I am afraid it cannot be in place before American Express receives its licence.

That means, of course, that American Express will be in a position to offer certain services that other banks might momentarily be prevented from providing, but for a very short period only.

• (1440)

Mr. Jim Peterson (Willowdale): Mr. Speaker, on February 3, the Minister of Finance promised Canadians that we would have this new financial legislation in place. His promise is right here in his press release. He said that we would have this new financial legislation in place before American Express would be allowed to operate as a bank in Canada.

My advice to the Minister of Finance is, take your American Express card and never leave home without it, because you have given up your credit with Canadians.

Why has this minister kept his promise to American Express? Why has he broken his promise to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would suggest that the hon. member get his lines from the member for Gander—Twillingate in the future.

The specific question that the hon. member has asked relates to what I said about a year ago. Our intention was to get the legislation before Canadians before the mid-year, I believe is what I said.

As my colleague has stated, a considerable amount of work needed to be done to get together financial institution legislation. The legislation needed a great deal of reform because, in some cases, the existing legislation is 65 or 70 years old. That has taken time. But we are working on it, and hope to have the legislation before the House at an early date.

GOODS AND SERVICES TAX

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, you will recall last summer that the government spent about $800,000 on an ad in daily newspapers about the GST, and the minister appropriately had his knuckles rapped for spending taxpayers' money in that way.

Now we have another fancy brochure advertising and promoting the GST to the small business community in this country.

Does the minister consider it appropriate that he should spend $1.3 million of the taxpayers' money? Is it proper to spend $1.3 million of the taxpayers' money on promotion, propaganda, on a fancy pamphlet before a law has been passed in the Parliament of Canada? Is that appropriate, or is it not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite appropriate to inform Canadians, in this case small businesses, of the importance of a particular issue that they will have to deal with on January 1, 1991.

The legislation is before the House today. My friend is well aware that this is a very important initiative for Canada, for the Government of Canada and that we are proceeding with this legislation.

This is information which small business people have been asking us to provide for them. It is consistent with the direction which the finance committee recommended, following the return of the committee from New Zealand, where they learned from the New Zealand experience. The committee recommended that we provide full information to those who are affected by the proposed tax. That is the basic reason why we are providing this information.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the bill has not passed the House yet. It seems to me that it is rather arrogant to anticipate what this House may or may not do. Advertising is advertising, promotion is promotion.

I would like to ask the minister once again, how can he justify spending the taxpayers' money on partisan promotion of a tax that the people of this country do not want. How can he do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind my friend of what the Finance Committee report of March 15, 1988, stated: "—to publicize the details of the new tax and the relevant social policy transfers". This brochure is publicizing the details of the new tax that we propose to bring in on January 1, 1991.

We also have a brochure which publicizes one of the key social policy elements, the GST credit, which improves the position of many senior citizens and low income people in this country.

This is information for which Canadians have asked. We are responding in a responsible way by providing that information.

* * *

EXTERNAL AFFAIRS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, last night two Calgary journalists for CFAC television were held for several hours by the Israeli army after a raid on a village in the occupied West Bank.

Another Calgarian, a citizen of Palestinian descent, was also picked up by the Israelis. This man, Jamil Qasqas, was escorting the two journalists as they interviewed his family in the village.

I would to ask the Secretary of State for External Affairs if he has any information regarding the whereabouts of Mr. Qasqas? Is he, a Canadian citizen, still being detained by the Israelis? What has External Affairs done to secure the release of Mr. Qasqas?

Finally, I would like to know if the minister has had any communications with the Israelis regarding the detainment of the journalists, Brenda Finley and Wayne Borowiec, and what their status is in Israel today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the member for his question and am pleased to report to the House that, as a result of interventions by the Government of Canada in Israel, the three persons named are now free.

I understand that Mr. Qasqas is on his way, or will shortly be on his way back to Calgary. It may be that the two journalists in question will remain in the area. They had, from the beginning, access to the consular services of the Canadian Embassy. We are naturally seeking a fuller report from Israeli authorities as to the circumstances, but the three are free.

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THE ENVIRONMENT

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of the Environment. In his absence, I will refer it to the acting minister. It is in regard to his so-called environmental agenda for Canada. It is a mystery to Canadians and to the minister, it seems.

Canadians are getting tired of polluted promises. The minister has hailed his five-year plan as the most dramatic environmental reforms in Canadian history, and yet the energy minister two weeks ago in Calgary told oilmen: "Don't worry, don't be nervous, you have nothing to fear. There will be trade-offs". He said that the action plan is not the final word.

Will the minister meet the real needs of the environment and not the self-interest of his political colleagues?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as members of the House know, the Minister of the Environment is working on an action plan that has been supported very fully right through from the Prime Minister and other members of cabinet.

In Calgary approximately two weeks ago when the Minister of the Environment could not attend for personal reasons, I said that there would have to be trade-offs. I think anyone who has looked at environmental issues, who has looked at reduction or stabilization, for example, of CO2 levels, knows there are trade-offs. In fact, if he takes a look at some of the papers coming from the Ontario government, he will find that the trade-offs that are being examined not only have to be examined, but have to have a public debate, and that is why the action plan is coming forward.

Mr. Rex Crawford (Kent): Instead of consulting with environmental groups and the public, the minister is working in shadows. Canadians wonder why clean air, clean water, and safe land are such a secret, such a mystery, so confidential and classified.

Will big business dictate the environmental policy of this government, or do the people have a say?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the absence of the Minister of the Environment, I am happy to confirm to my hon. friend that his comprehensive and, I believe, quite impressive work in bringing forward a major action plan is proceeding along course.

• (1450)

I met with the Canadian Pulp and Paper Association on Friday and indicated to them, as we have to other groups including environmental lobbies that, while we will be consulting with them, it is the government's intention to follow through on a commitment of sustainable development which moves the cause of the environment to the top of the national agenda, but which does not cripple development in Canada which means jobs for Canadians.

It is perhaps for this reason that Mr. Shevardnadze, the Foreign Minister of the Soviet Union, following the commentary of former Prime Minister Brundtland, stated:

> Canada was one of the first to place questions of environmental protection on the international agenda and has achieved remarkable successes in this area. Therefore, we attach great significance to and regard as an encouraging beginning the environmental accord signed with Canada in Moscow.

The international leaders recognize it. I urge the hon. gentleman to read and stop complaining.

* * *

GOODS AND SERVICES TAX

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question for the Minister of Finance concerns the impact that the goods and services tax will have on disabled Canadians.

While the minister proposes not to tax wheelchairs themselves, he would like to tax all repairs on them to tires, seats, and brakes. Why should handicapped Canadians be asked to pay tax on what are clearly essential needs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member has pointed out quite clearly how we have tried to identify certain things that are used by disabled people. That is why a number of medical devices have been made tax free, and I am pleased that she acknowledges that.

With regard to the specific question that she has asked, it is very difficult through the tax system to draw distinctions between repairs to certain types of equipment and repairs to other types of equipment. That is very difficult to do, but I appreciate her sensitivity to that issue.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my supplementary question is to the same minister.

Now that he has confirmed that he would like to tax repairs to wheelchairs, will he also confirm that he would even like to tax grandmothers for their hearing aid batteries, or would he rather that they not hear about the evils of the GST?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure that the hon. member understands that hearing aid batteries are taxable today. She should acknowledge that when she asks a question like that, rather then trying to get some cheap political benefits from the type of question that she is asking.

We have made it clear that hearing aids are not going to be taxed, glasses will not be taxed. Other forms of medical devices, prescription drugs, and medical services will not be taxed. Therefore, in a number of areas we are responding to the sentiment that she is expressing, but we are trying to do so in a way that recognizes the problems that people have without getting cheap political gain for it.

* * *

COMMUNICATIONS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is for the Minister of Communications and it is about cable TV rates.

We in the New Democratic Party believe that Canadians are paying too much money for cable television. Cable profits are now about 32 per cent on fixed assets. That is about twice the amount that phone companies get because phone companies are regulated by law.

Will the government bring in a law which will regulate the rate of return for cable companies like we have done for phone companies?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, it so happens that the CRTC is holding public hearings on this issue because many Canadians feel that cable TV rates are too high.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I could go over to Hull, but I am not going. I want to ask the minister a question.

The fact is that cable rates are increasing enormously and phone rates are either frozen or they have dropped.

By refusing to have rate of return legislation, as we in the NDP advocate, is the government not sending the wrong signals to the CRTC, or is it simply a matter that the government is not listening to ordinary Canadians, the government is not heeding them, the government is not caring about them, and the government refuses to protect them with strong legislation on cable?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, unlike the NDP, this government respects the independence of the agencies that are responsible for examining these issues.

* * *

[*English*]

PUBLIC WORKS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Minister of Public Works. Given that the Daly building has been recognized as one of the most important historical buildings in the nation's capital, given that the decision was made to preserve the sterling and rare Chicago style of architecture, and given that the National Capital Commission has already wasted millions of dollars waiting for the developer to come up with restoration plans, the question is why has the NCC now approved a plan that will virtually eliminate or destroy any authentic traces of what it was trying to preserve in the first place?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I cannot debate the aesthetics of architecture with my colleague opposite. I appreciate the question. However, I understand that some of the modifications that have been made, particularly with respect to windows, are in the name of energy conservation. I will attempt to find out more details for her.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my supplementary question is for the same minister. The National Capital Commission has lost $2.5 million yearly on the Daly building in rental revenue. The developer has tied up the NCC for $1 a year for a good number of years. The central chambers in the 489 Sussex Drive buildings remain vacant. Lost revenue defies the spirit of fiscal restraint.

In tight fiscal times, how can the minister justify prime real estate remaining vacant?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, my information, and I stand to be corrected, is that in fact a satisfactory lease has been entered into with the developer for the Daly building and that revenues have been secured.

I will attempt to get more information, but I do not accept *prima facie* what my colleague has said. I understand that revenues have been secured and that a lease has been signed.

* * *

IMMIGRATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. There is a debate proceeding currently in the U.S. Congress about a cold war provision of U.S. immigration law which has been used for decades by Americans to prohibit many law-abiding Canadians from entering the United States on the alleged grounds that they are subversive.

I want to ask the minister if he is prepared to make representations to the American administration to help promote the repeal of this section which really has no place in the laws of a great democracy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the more difficult challenges I have had to face in this office was when the United States tried to keep Farley Mowat out. That was not an issue that receded quietly. I made representations then on behalf of Farley Mowat to try to get him into the United States, successfully. I think that the relevance of that law, if it ever existed, is now passed and I certainly would be pleased to act on the suggestion of the hon. member.

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, does the Minister agree that this cold war measure diminishes the image of the United States in the eyes of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member may be concerned about image but I am not. Nevertheless, I believe the Americans would do well to get rid of this regulation, and I intend to urge them to do so.

* * *

• (1500)

TRANSPORT

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Transport.

Since the minister met on the weekend with his provincial counterpart, could he inform the House whether the Quebec Minister of Transport gave him assurances, or whether the minister himself made concrete proposals to ensure that the Saguenay—Lac-Saint-Jean region will not lose 11 of the 25 million dollars set aside for the Alma—La Baie highway, which must be spent before March 31, 1991?

Furthermore, if work on the Saint-Bruno—Jonquière section cannot start on time, what did the provincial minister say he would do to avoid losing this money, half of which is being paid by the federal government?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I want to thank the hon. member for his question. Saturday, I had a meeting with the Quebec Minister of Transport who gave me the assurance that, in the case to which the hon. member referred, the monies invested by the Government of Canada would be spent within the required period, and that he would make the necessary representations to the Quebec Environment Minister, Mr. Pierre Paradis, to deal with the problems they are facing at this time.

I can assure the hon. member that the federal monies will be spent within the required period.

[*English*]

PRIVILEGE

GOODS AND SERVICES TAX BROCHURE

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question of privilege arises from the proceedings of the House this morning and from Question Period. This is the first opportunity I have had to draw it to your attention.

This morning and during Question Period the Minister of Finance drew our attention to the document:

TPS, Taxe sur les produits et services, renseignements à l'intention de la petite entreprise.

I asked, through the pages, for a copy of this document since it was referred to so many times this morning and by the Minister of Finance. The pages could not obtain a copy for me. After other attempts the pages finally did find a copy. They could only produce a copy for me in one of the official languages.

I thought that all proceedings in this House, all documents issued by the Government of Canada, have to be produced in the two official languages. How can this government on the one hand pretend to sign a resolution honouring the two official languages of the land and yet not produce a document in the two official languages for the members of this House.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have a document entitled, *GST, Goods and Services Tax, Information for Small Business* in the English language. The other side:

TPS, taxe sur les produits et services, renseignements à l'intention de la petite entreprise.

It is in both official languages. If my colleague would like to have copies in French and English, both official languages, all he has to do is ask and we will get him any number of copies that he can send out to his constituents.

Mr. Flis: Mr. Speaker, I did ask for the document in the two official languages. This is all the pages could give me. It is in one official language only. The Minister of Finance says: "Turn it over". I did turn it over. It is still in the one official language. I can read, Mr. Speaker. The Minister of Finance cannot.

SPEAKER'S RULING

Mr. Speaker: I have listened carefully to the hon. member for Parkdale—High Park. While I do not think it is a question of privilege, I think it is a matter of good management and courtesy to ensure that copies of this particular document are available to all hon. members in this place.

I think some of the difficulty may be, if I heard correctly earlier today, that some were published in French only, some were published in English only, and some were published in the two languages.

However, the hon. member has raised a matter which concerns the Speaker. I shall look into it and I will try to satisfy the hon. member.

GOODS AND SERVICES TAX BROCHURE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a related question. We found out this morning via the press that the Minister of Finance and the Department of Finance had sent out 1.8 million copies to small businesses across Canada. Members of Parliament have yet to receive copies in our offices.

Could the Minister of Finance explain when he had copies of this goods and services tax information booklet sent to the offices of members of Parliament? I wonder if he could explain when that was done.

Mr. Speaker: Perhaps the hon. member for Kamloops could put his question again.

Mr. Riis: I guess the Minister of Finance was preoccupied. The Minister of Finance sent the brochure out to over one million small businesses some time ago. I was wondering if he could explain when he had it sent to members of Parliament so we would be aware of what the Department of Finance had actually done.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, these pamphlets have just gone out to small businesses. It was done through the Department of National Revenue. I am not quite sure precisely when they went out. If my hon. friend would like more copies of the document—

Mr. Riis: I don't have any yet.

Mr. Wilson (Etobicoke Centre): —we will make sure he gets as many as he wants.

Mr. Speaker: The hon. member for Kamloops has also indicated the desire of hon. members to have copies. The minister has responded, and I am sure the minister will co-operate with all hon. members.

Mr. Turner (Vancouver Quadra): On the second or third printing.

Mr. Speaker: The right hon. Leader of the Opposition has an intervention, which of course is always welcome. Perhaps it needs no reply.

SPEAKER'S RULING

Mr. Speaker: I appreciate the point raised by the hon. member for Parkdale—High Park and I think the matter can be rectified among members on both sides of the House. If it is not, I invite hon. members to raise the matter further with me.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be read a second time and referred to the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p. 7569).

Mr. Lewis: Mr. Speaker, I rise on a point of order. Now that Orders of the Day have been called, I want to indicate the desire of the government to debate this very important bill, Bill C-62, on the goods and services tax.

In order to give all members of the House a full opportunity to debate this particular bill, I want to indicate the willingness on the part of the government to extend the debate this evening until twelve o'clock midnight in order to allow as many members as possible to participate in the debate.

I wonder if my hon. friends opposite are of the same mind.

Mr. Gauthier: Mr. Speaker, we on this side have been trying to get the government to do this. Yesterday we moved such a motion and the government refused to proceed with the motion. The government had 15 members of its party stand up to stop this from happening. We are very happy that indeed the government is going to give us a chance to debate the GST, this terrible tax.

I have been reading some comments by the government Whip yesterday when he said it was time to listen to each other, to engage in vigorous debate on behalf of democracy and on behalf of good decision making.

We could not agree more. We will be here and we will debate.

Mr. Riis: Mr. Speaker, it is interesting that the government was not interested in returning to the House of Commons until well into the month of January. We would have had lots of time if it was genuinely interested—

Mr. Lewis: With your consent.

Mr. Riis: Yes, but the government had not indicated that it was interested in having a lengthy debate on certain kinds of legislation.

If the government were serious in its request, is this the way to deal with tax legislation that will have an effect on people's lives for generations to come, to try to run legislation by exhaustion late into the night?

Mr. Reid: You are driving us crazy with votes.

Mr. Riis: Good, that is the point. I want to make it very clear to my hon. friend, the government House leader, that we are in no way going to co-operate to try to facilitate the passage of this legislation. Unlike the Liberals who are presumably prepared to facilitate debate, to vote the legislation in the House of Commons, we want to stop the legislation and we are not going to make any deals whatsoever.

The Acting Speaker (Mr. Paproski): On debate, the hon. member for Yorkton—Melville.

Mr. Manley: I rise on a point of order.

The Acting Speaker (Mr. Paproski): Is the member rising on the same point of order?

• (1510)

Mr. Manley: Mr. Speaker, it is on the same point. I think the reference by the NDP to co-operation from the Liberal Party in the interests of advancing the GST is totally unfounded. What we hear from our constituents again and again is that the behaviour in this Chamber is not worthy of parliamentarians.

I suggest that the kind of antics that have been carried on down there are very unworthy of this Chamber. We need to debate the substance of this bill which is demonstrably wrong. It is a bad bill, it is bad tax law, but we do not need to do it by acting like buffoons.

Mr. Harvey (Edmonton East): Point of Order.

Mr. Rodriguez: Point of Order.

The Acting Speaker (Mr. Paproski): Consent has been sought and there is no consent. Therefore we just carry on with debate. The hon. member for Yorkton—Melville has the floor.

Mr. Harvey (Edmonton East): Point of order.

Mr. Rodriguez: Point of order.

The Acting Speaker (Mr. Paproski): The hon. member for Edmonton East and then the hon. member for Nickel Belt on a point of order.

Mr. Harvey (Edmonton East): Mr. Speaker, just for the information of the hon. member and all other hon. members, my constituents are not terribly concerned about how much we debate the tax bill in this House. My constituents want this tax stopped.

Mr. Rodriguez: I rise on the same point of order, Mr. Speaker. I think it is passing strange to see the Liberal Party quite willing to jump in with a suggestion made on the floor of the House to cut off debate at midnight tonight, from ten o'clock till midnight.

Mr. Milliken: We are not cutting it off; we are continuing it.

Mr. Rodriguez: They want to go until midnight. That is the proposal that the Liberals are prepared to agree to. We have said: "Let's have the debate on regular time". This is the time of the House of Commons for debate, not to come in during the dark of the night—

The Acting Speaker (Mr. Paproski): The hon. member for Parkdale—High Park.

Mr. Flis: Mr. Speaker, instead of shouting, perhaps we could listen to reason.

We have had many important topics debated in this House until midnight and until one or two in the morning. I am thinking of the debate on China. I am thinking of the abortion debate, et cetera. Here is an opportunity for us to debate this matter at length. The reason the Liberal Party wants to debate this matter is to convince the government to kill this bill completely, to kill the GST, but we have to do it with full debate.

We cannot understand the reasoning of members of the NDP who on the one hand want more time to debate and on the other hand when it is given to them they do not want it.

The Acting Speaker (Mr. Paproski): There has been no consent. The hon. member for Yorkton—Melville has the floor on debate.

He has 14 minutes, plus 10 minutes of questions and comments.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the answer to that question is very simple. We want to kill the bill. We want to axe the tax.

I am surprised the Liberal Party wants to co-operate now with the government across the way by putting up more and more speakers, by wasting more and more of their speakers. Why don't they practise good tactics and hold some of your people in the background for a while and force the government to withdraw the bill?

I suspect what they are doing now is looking at the polls, seeing them at 48 per cent, and dreaming and assuming they are going to win the next election. They want this matter through as fast as possible so that once they are the government of this country they will have a GST.

There is not a single Liberal in the House who will get up and deny the fact that they would like to see this bill through. Once it is through and they form the government, they will keep the GST. Is there a single Liberal candidate running for leadership of that party who has said: "If I become Prime Minister of this country, I am going to get rid of the GST"? No, not a single Liberal candidate. That is not an issue in the campaign.

We all know they want the Conservative Party to get the tax through the House of Commons, take the flak and lose the election. All of a sudden they will be the government of this country, they will keep the tax and they will increase it from 7 per cent to 8 per cent to 9 per cent to 12 per cent. That is exactly what the Liberals will do.

The member from Newfoundland across the way is nodding his head. I can hear him from hear. He agrees. That is exactly what the plan of the Liberals is; that is why they want to co-operate with the government. I am making it very clear that we want to kill the tax. We want to stop the tax. We will do whatever we can to make sure it does not go through the House.

We already see all kinds of signs of Liberal governments co-operating with the federal government. Mr. Nixon, the Treasurer in Ontario, has now that said he will collect the federal sales tax in the province of Ontario. That is a Liberal Treasurer, a Liberal Minister of Finance. That is co-operation in the biggest province in this country. We see all of a sudden how the Liberal benches have fallen very quiet.

[*Translation*]

Furthermore, Mr. Speaker, the Premier of Quebec, Robert Bourassa, said practically the same thing two or three days ago about collecting taxes, including the GST, in the province of Quebec. We are seeing co-operation between the Liberal Party and the Progressive Conservative Party, and that is why we had this co-operation in the House of Commons this afternoon.

An hon. member: Liberal or Conservative, what's the difference?

[*English*]

Mr. Nystrom: In the House today we had a few questions about this fancy brochure, the propaganda brochure which has been circulated to over a million small business people by the government across the way. It spent $1.3 million circulating this advertising and propaganda.

That is not the only brochure that the government has circulated. I would like to know how much money the government has spent on propaganda and brochures on the GST in the last few months. I have here a little brochure entitled *Questions and Answers about the GST*. How many of these were circulated? Who did they go to? How much did this cost the Canadian taxpayer?

We are talking about brochures and leaflets about a bill that has not even passed the House of Commons. It has not been passed by Parliament, yet taxpayers' money is being spent to talk about something that is not even law, a hypothetical thing.

Another brochure on the goods and services tax is entitled *Information for Small Business*. That is the second small business brochure that has been circulated in the last few weeks. Another one is called *The GST in Summary*. Again, how many copies of this brochure have gone out in the last few weeks or months to the Canadian people? What did this brochure cost us?

Another one is entitled *The Goods and Services Tax*. This small brochure goes out to barbers and hair stylists. How many of these have gone out to barbers and hair stylists across the country? How much did that cost the Canadian people, particularly in an industry which will lose money because of the 7 per cent tax on barbering and hair styling in Canada.

Another one, which I suppose went out to some low income people in this country, is entitled *Information on the GST Tax Credit*. Once again, how many copies and to what people did that go? Here is another one entitled *The Goods and Services Tax on Farmers and Fishermen*. I look at this brochure and I wonder again how much this has cost the Canadian people and who received the brochures.

Another one is information on housing. Again, what did that cost us for information on a bill that has not even passed the House of Commons. Here is another one with information for convenience stores. Once again, who did this go out to? We already have this great big brochure on the tax for small business and there is another one here for convenience stores. Again, how much did that cost and who did that brochure go out to?

Another one is to self-employed trades people. Who did that go out to and how much did it cost? There is one more for the GST and pensioners.

Finally I have here a brochure entitled *The GST Credit: The Government's Plan* which were included in the income tax returns sent out to the people of Canada.

As you know, Mr. Speaker, the bill before the House is only a bill. It is not the law of the land, yet the government is spending all kinds of money.

Since the purpose is to kill the bill, I move:

That this House do now adjourn.

• (1520)

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion, which was negatived on the following division:

(*Division No. 186*)

YEAS

Members

Althouse	Angus
Axworthy (Saskatoon—Clark's Crossing)	Black
Blackburn (Brant)	Blaikie
Butland	Fulton
Funk	Gardiner
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Karpoff	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	MacWilliam
McCurdy	Nystrom
Parker	Riis
Robinson	Samson
Stupich	Taylor
Waddell	Whittaker—28

NAYS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bouchard (Roberval)
Bourgault	Boyer
Brightwell	Browes
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Clifford
Cole	Collins
Cook	Corbeil

Corbett	Côté
Crosby (Halifax West)	Darling
DeBlois	Della Noce
Desjardins	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Ferland	Fontaine
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Hockin
Hogue	Horner
Hudon	Hughes
Jacques	James
Jelinek	Johnson
Joncas	Kempling
Koury	Langlois
Larrivée	Layton
Lewis	Loiselle
MacDonald (Rosedale)	MacDougall (Timiskaming)
Marin	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDermid
Monteith	Nicholson
Nowlan	Oberle
O'Kurley	Plamondon
Porter	Pronovost
Reid	Reimer
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Sobeski	Soetens
Sparrow	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Turner (Halton—Peel)	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Winegard
Worthy—125	

• (1600)

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Gauthier: Mr. Speaker, I rise on a—

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member, a point of order by the government House leader.

Mr. Gauthier: He has not even asked for one yet. I have one on the vote.

The Acting Speaker (Mr. Paproski): The hon. member for Ottawa—Vanier on a point of order.

Mr. Gauthier: Mr. Speaker, you have noticed, I am sure, that there are over 50 Liberal members of Parliament who do not want to play these childish games that the NDP are proposing—

Some hon. members: Oh, oh!

Some hon. members: Hear, hear!

Mr. Gauthier: —by abstaining from voting. We want to debate this bad legislation. We want to debate it democratically. We want debate to proceed.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): The hon. government House leader.

Mr. Lewis: Mr. Speaker, I think the people of Canada now have had an ample demonstration of the NDP's refusal to debate. They are making a mockery of this place.

* * *

EXCISE TAX ACT

NOTICE OF MOTION PURSUANT TO S. O. 57

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Therefore, I wish to give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming the debate on the motion of the Minister of Finance for second reading and reference to the Standing Committee of Finance of Bill C-62, and on any amendments proposed thereto, I will move that the debate be not further adjourned.

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that questions to be raised tonight at the time of adjournment are as follows: the hon. member for Dartmouth—Tourist Industry; and the hon. member for Delta—Charitable Organizations.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be now read a second time and referred to

the Standing Committee on Finance; and the amendment of Mr. Turner (Vancouver Quadra) (p.7569).

The Acting Speaker (Mr. Paproski): We will now enter into questions and comments to the hon. member for Yorkton—Melville.

On a point of order, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, now that the government has once again given notice that it plans to introduce a motion of closure for the next day, I want to simply indicate that at that time I will plan to argue the fact that moving closure at this point is not only irresponsible but unconstitutional.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments? The hon. member for Athabasca.

Mr. Shields: Mr. Speaker, I listened with considerable interest to my friend for Yorkton—Melville when he was making his presentation to this House before he sought to adjourn the House.

He started off by saying that they were attempting to kill the bill and axe the tax and that they would do anything to see that the bill does not go through the House.

He then went on to lay out the brochures and called the brochures advertising and propaganda.

I would ask the hon. member this. If the information in the brochures is incorrect, would he please point out to this House and to all hon. members where the information is incorrect? He called it propaganda.

How can it be propaganda when people are seeking information right across this country about the goods and services tax? Does he not feel that we have a responsibility to get this information out to our constituents as quickly as possible so that they understand the implications of the goods and services tax and how it will affect them? Is it not the duty of every member in this House to inform his constituents and to inform the country?

I would ask the hon. member if he could show the members of this House, if that information is incorrect, where it is incorrect? I do not have a closed mind. I would really like to know how that hon. member can point out in the brochures what is wrong with the information that we are giving.

Obviously the New Democratic Party, the party of which the member for Yorkton—Melville is a member, has decided that it is not even going to discuss the goods and services tax. Members of that party have closed their minds to it. That is the ultimate autocratic position. It is the classic example of a party which knows that it will never, ever form a government in this country. It will never be in power and can never expect to be in power. Thus it can be totally irresponsible.

Mr. Nystrom: Mr. Speaker, we have discussed this bill since August. I was on the committee that travelled this country for several weeks, including when we went into the province of Alberta. We have discussed the bill.

The specific answer to the question about propaganda is that if he checks the most recent brochure he will see one of the headings is "Competitive Advantage". Under that heading it is argued that business in this country will have a competitive advantage.

I suggest that in many cases that is not true at all. We heard in our committee from representatives of many small business people who said they will have a competitive disadvantage. I refer specifically to the tourist industry, the fast food industry, the clothing industry and the footwear industry. All these industries have warned us that they will not have a competitive advantage but very much a disadvantage.

As a matter of fact, when it comes to tourism and restaurants those two industries are among the two most price-sensitive industries and businesses in this country. An increase in price, or a perceived increase in price—whatever it may be, we can argue that point—will be enough, in their opinion, to drive people away. We had representatives of the tourist industry before us in the Railway Committee Room before Christmas who made that very point in a very clear and effective way about how they think it would affect their industry.

• (1610)

I would suggest with great respect to my friend for Athabasca that it is propaganda when you have something that is misleading in a document. This does not give tourism, for example, a competitive advantage. That

is a misleading statement that is just not true according to the industry.

He can challenge the industry and say: "Look, they were not telling us the truth. They weren't levelling with the House of Commons." But that is exactly what they were saying to us.

The same thing applies to fast food. We had the fast food people saying to us that they are also a very price-sensitive industry, that if kids have to pay 7 per cent on a Big Mac there might be fewer kids buying Big Macs and that their industry will be affected in a negative sense by the bill before the House.

I think that is a specific answer to his question. I am glad that he raised that question. I think that that part of the brochure at least is something that is propaganda and is not factual.

Mr. Gustafson: Mr. Speaker, the hon. member for Yorkton—Melville represents an agricultural riding, as I do coming from Souris—Moose Mountain. Yet the member failed to point out the net benefits for agriculture in the GST.

I want to lay those out for him right now. If a farmer buys a new tractor the end user's certificate is in place as it always has been. However, if he buys a battery, a chain, a ladder, a jack, a hammer, lumber, posts, wires or staples—all of these things—he can claim the 7 per cent back, which he has not been able to do up until now. Most of those items are taxed at 13 per cent.

I make the point that an average farmer will have a net benefit in the GST of $1,500 to $2,000. If he buys a half-ton truck there is a $2,600 benefit on a $20,000 truck.

There is definitely a net benefit here to agriculture. Agriculture is exempt but the member has failed to point that out to the people of his constituency.

I thank you for the opportunity to do this, Mr. Speaker.

Mr. Nystrom: Mr. Speaker, I refer my good friend for Assiniboia to the hearings of the finance committee in October when representatives of the Federation of Agriculture appeared before us. They said that the GST would add several millions of dollars per year to the costs of farmers because of the additional administrative burden. That is what they are saying.

Mr. Siddon: They didn't understand it.

Mr. Nystrom: The member from British Columbia is saying that the farmers did not understand it. I do not want to challenge the farmers' lack of understanding or anything of that sort, but that is what the people from the Federation of Agriculture had to say. It seems to me that they would probably be experts in this because they are farmers.

Mr. Siddon: Spread the truth.

Mr. Nystrom: Somebody wants me to spread the truth. I am saying to you what they said to us, and I know that farmers know of what they speak. I just wish that the Mr. Know-it-all over here on the government benches would listen to the farmers.

The member for Assiniboia knows that for the ordinary farmer all the extra bookkeeping is going to be a burden. The red tape is going to be a burden. That is what the farmers have said to us.

I know the zero rating of many of the goods in terms of agriculture. I also know a recommendation in the bill that is there now that was not there before states that the farmer will have a certificate for big-ticket items. I know those things are in there.

I suggest in closing that there is no guarantee that the 13 per cent tax that already exists is going to be passed on to the farmer in its entirety. We do not know that. There have been many cases in the past where the raw material price has gone down, such as in crude oil in the Middle East, but the saving is not being passed on to the consumer at the gas pumps.

You cannot tell me that the entire $18 billion of FST and MST now is going to be passed on to the consumer, whether it is to a farmer, a small business person or a home builder.

I suggest that the farmer will not be better off. If you listen to your constituents most of them are convinced that they will be worse off.

Mr. MacWilliam: Mr. Speaker, I have two short questions for the member. I think they should be clarified for the people of Canada. First, the Minister of Finance has repeatedly stated that the GST is revenue neutral. He has also stated that the tax is to be implemented to replace the manufacturers' sales tax which is not serving the manufacturing sector well.

If we have a choice between two taxes that are supposedly raising the same sums of money, why should we opt for a tax which affects most Canadians directly and deleteriously?

The second question to the member is this. Most Canadians believe that the level of the goods and services tax will be raised soon after the tax is implemented, as it has been in virtually every other country where it has been implemented. Is there anything in the current tax proposal that will prevent the raising of the 7 per cent level of the goods and services tax once it is implemented? I think Canadians want to know this.

Mr. Nystrom: The answer to the second question about raising the tax is quite straightforward. There is nothing in the bill to prevent it from being raised.

In fact, the Minister of Finance has said many times that he cannot guarantee it. As sure as day follows night, as the years go on, the tax will go up. It takes only a very simple amendment to raise the tax. It will go up from 7 per cent to 8 per cent or 9 per cent. I doubt if it will go down.

One reason why the government wants this is that it is a relatively easy way to raise a few extra billion dollars whenever it needs money. It just takes a little old amendment, Mr. Speaker, and you can raise the tax by one point. That will create revenues of around $2.5 billion. That is an awful lot of dough and it is a very easy way to do it. That is why this tax must be stopped now, must be killed now. If it is not killed now, it will not be killed in the future.

Mr. Shields: Mr. Speaker, just to comment on the raising of the taxes. The manufacturers' sales tax was raised from 9 per cent to 13.5 per cent during the life of this government. I did not get one letter concerning that increase because the people of Canada did not know that it was being raised. I say to the hon. member that if people know that the tax is going to be raised, it sure is going to put a stop on governments moving in that way.

I would like to go back to tourism operations. I would ask how the hon. member, with his comments in answer to my previous question, can square the idea that in the tourist industry all of the input taxes that go to make up the tourist industry are going to be rebated to the tourism industry. I think there is a legitimate debate on whether he is correct or whether I am correct. I would acknowledge that.

I would like to say that the biggest single thing against the tourism industry is that party's position on eliminating the entertainment deduction allowed now to people across Canada when they are entertaining business people and so on. I am telling you, Mr. Speaker, that that will have the most devastating effect on restaurants and places of entertainment more than anything else. I would like to see how he can square that.

Mr. Nystrom: I do not think it matters whether the hon. member for Athabasca is right or I am right on tourism. The fact of the matter is that the tourism people came to our committee and they said the tax would hurt them. It would hurt their businesses.

I understand that a great number of letters have been received from Americans who say that because of this tax they will not come here any more. I assume that people who run the tourist industry know their industry well. They know what impact the tax will have on their industry. I think we should take their advice and not argue about who is right, you or me.

As far as entertainment is concerned, right now under tax law the business community is able to write off 80 per cent of its entertainment expenses. That cost about $1 billion last year. I believe we could save a lot of money by making sure that Mr. Conrad Black cannot always write off his champagne and his caviare when he is entertaining the member for Athabasca.

I do not think that serves any purpose. That is one way that money can be saved. It is not only caviare and champagne that can be written off, there are other kinds of services as well. I sometimes question the value of those services. I am not saying that Jack is involved there but I question some of these write-offs.

• (1620)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Parliamentary Secretary to the Minister of Fisheries and Oceans.

Mr. Ross Reid (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, it is a great pleasure for me today to be able to stand and finally participate in a debate in this House on this very important economic policy.

Like all members of the House of Commons, Mr. Speaker, I know you are aware that the goods and services tax is a part of two other economic proposals this government has worked on and put forward in the last five years. Clearly reform of the sales tax is an essential part of tax reform that was undertaken initially in June 1987. That was part of a very clear and well defined economic policy laid down by the government in 1984 in its paper provided to this House in November of that year on limits to economic growth.

What we are seeing with the goods and services tax is an attempt, not only to rectify a tax system today that is hurting Canadians in all parts of this country and in all walks of life, but also to implement a system that is fair and productive and will help Canadians over a period of time to become stronger and more competitive, more able to create and maintain employment in this country. I do not think there is any member of Parliament in this House who would dispute that that is something all of us should be thinking about and should be focused on.

I would like to talk a little about some of the economic benefits of this tax. I would like to talk about some of the things that this tax does, particularly for my part of the country, particularly for the Atlantic provinces, that we all would agree needs whatever assistance we in the government and we in this House can provide.

If through the reform of the sales tax we can provide some economic growth, we can ensure that the economic growth and economic investment we so badly need is not denied us because of a tax system that is 65 years old, a tax system that nobody else uses, a tax system that penalizes production and restricts growth in the economy. That sort of a tax system must be replaced, if we are going to see real economic growth, real regional development, and the creation of jobs in this country when we need jobs more than at any other time.

We are well aware of the negative parts of the old federal sales tax. We know that the current federal sales tax distorts economic decision making, reduces productivity and, therefore, reduces the real incomes of Canadians.

What this tax does today is favours imported products. It favours goods of like nature imported from another country. Not only does it do that, but it quite clearly hinders the ability of our exports to compete against exports of other countries in the international market. We are a country of exporters. If we want to be able to compete fairly and compete properly, we must ensure that our tax system does not hold us back.

We all agree that any tax system is something we do not like, but surely to heaven we do not need a tax system that says to an exporting country that the things it ships out automatically have a 65 per cent to 70 per cent higher effective tax rate than the things it is competing against. The people to whom we sell what we produce are not going to buy something that has a tax rate much higher than what they are competing against. It makes absolutely no sense.

We are dealing in an economy that is integrated around the world. We cannot deny that we live in an economy that is interdependent. We cannot put walls around ourselves, as our friends opposite would have us do. We cannot live and work in a little cocoon. It will not work. If we are going to tell the people of this country and our constituents that we can do that, we are not being fair or honest with them.

What we are doing with this tax is trying to address some of those inequities so that we can deal properly with the future of this country and create jobs when we need them.

As we try to promote trade and competitiveness, as we try to produce more goods, products, and services that we can export, we cannot have a system that allows for goods imported into the country to be taxed at the border, which is what happens today. The federal sales tax is applied at the border. Therefore, a Canadian good, something that is produced in this country and is taxed at the manufacturer's level, the tax on production, is at an immediate disadvantage, because anything that happens to the import after it is imported is not susceptible to tax. Across this country we have seen plants closing because of this tax.

Mr. Funk: Why did you keep raising it, if it was so bad?

Mr. Reid: We cannot continue to have businesses subject to tax on tax. Any business that buys a good that has a federal sales tax on it, uses it in its production and sells it at the next level where again it is taxed is subject to a tax on tax, which affects the consumers of this

country and holds back the ability of business to produce, to expand and to grow.

Where of all places do these policies have the most benefit and why? It is interesting when we look at the figures on growth in the economy that we see the greatest growth in the economy is in the prairie and the Atlantic provinces. Why does this happen?

Mr. Funk: Just like free trade.

Mr. Reid: It is because our economies in the prairies and the Atlantic are very capital intensive. They use machinery and big pieces of equipment. We need to bring those together to be able to extract and develop our raw materials. As well, those economies, because of the nature of this country, are based on export. What we see because of taxes on this sort of equipment is a constricting or a restraining of the economy to the tune of about $9 billion a year.

Whoever you are, whatever side of this House you sit on, if we can see an increase in growth in this economy of $9 billion a year, it is going to affect every one of our constituents. It will make their lives just that bit better. What we will see is investment in those areas that is being constrained today.

My friends opposite say: "What about free trade?" If you combine the effects of the changes in the goods and services tax with the benefits of free trade, we see growth in the economy of something approaching $30 billion a year, and that is the equivalent of 5 per cent.

Mr. Funk: You don't even know what you are talking about any more.

Mr. Reid: I know exactly what I am talking about, and I am talking truth to my constituents. I do not keep them in the dark. I do not tell them to listen to what the NDP says and not anything the government has to say. I do not deny them information so that they do not know what is going on and constituents of mine and yours cannot make an intelligent decision because you are denying them the information and denying them a debate in this House.

Mr. Funk: Make a motion to withdraw closure.

Mr. Epp: How come you guys keep promoting socialism and eastern Europe is changing?

Mr. Reid: Come on, give me a hand here, Mr. Speaker. I would certainly like to thank my colleague from Manitoba for all his help.

What so many businesses and industries in this country face today is a tax on inputs, a tax on the goods, the products and the equipment they use to carry out their business. One of the great benefits of the goods and services tax is that we will see the tax on inputs eliminated through the input tax credit. What we hear is that that is businesses. What about people?

We should remember that businesses are people, that businesses are people who work in our communities, that businesses provide jobs that create opportunities and provide services. Businesses provide growth. Today, small and medium sized businesses in this country are facing a total mishmash under the federal sales tax. What we see is 75,000 different companies paying this tax. Remember, Mr. Speaker, businesses do not pay tax. We see 75,000 companies collecting this tax. Virtually the same amount will collect under the goods and services tax. They do not pay it; they collect it. Consumers pay the tax. Consumers are paying that tax now. My constituents and your constituents are paying that tax.

• (1630)

An hon. member: Who is the consumer?

The Acting Speaker (Mr. Paproski): I really cannot hear the hon. member who is on debate. The hon. member for St. John's East has the floor.

Mr. Reid: With four different tax rates and 22,000 special deals, we have a tax system that nobody understands. We have a tax system that distorts decisions in the economy, that distorts the realities in the economy, and that hinders the ability of people to conduct business and therefore consumers to get the benefits of a competitive economy.

An hon. member: Maybe you can learn how to grow cucumbers.

Mr. Reid: The problem is not growing cucumbers; it is selling cucumbers.

As we face some particular challenges in the economy in Atlantic Canada, as we look at a fishery that is going to demand attention from all aspects of government, from the economy, and from all parts of our society, as we look at a forest products industry that has a great opportunity to expand its horizons to export across not only this country but around the world, as we look at a growing and developing minerals industry particularly in my province, as we look at some opportunities for oil and gas development and as we look at the opportunities to develop the hydro resources, we see some excellent examples of how the goods and services tax as opposed to

the federal sales tax can assist the development of those businesses.

Today, any purchase that is made of a taxable item by a company is susceptible to the tax. For instance, it is important for people to realize that in the future a paper mill can receive the input tax credit on everything it buys to manufacture paper. That is not only the wood that goes into the chippers. It is the chemicals that go with it, the machines, the light bulbs to keep the place going, the typewriters. Anything used in that business will be a tax credit. What we are not seeing is tax on tax. We are not seeing tax produced so that someone else can pay tax on it. What we are seeing is an acknowledgement that the tax is paid once and only once through the system.

Mr. Funk: Let's hear more about the light bulbs.

Mr. Reid: The light bulbs are going out.

Ms. Hunter: I don't think they were ever on.

Mr. Reid: One thing that we hear a tremendous amount about is the question of spending. All of us hear that the tax would be more acceptable if the government were to cut spending, that instead of raising taxes we should attack spending. I would like to spend one or two minutes addressing that question. I think it is important to keep reminding Canadians of the effort that has been made to reduce spending in this country.

Since 1984 we have reduced the deficit by some $8 billion. In 1984–85 spending was $16 billion higher than revenue. Now it is $8 billion less than revenue.

Spending by the federal government in 1989–90 on government programs will have grown by 3.6 per cent, which is lower than any provincial government in this country and lower than any government in Ottawa in the last number of years. In 1984–85 some 19.5 per cent of the economy was comprised of government spending. In 1989–90 it is 16.1 per cent. If we carried on the way it was operating before we would be $22 billion higher or 21 per cent. By 1993–94 we will not have to borrow and we can start buying back things like treasury bills.

One of the most important parts of the goods and services tax for my province and my constituents is the tax credit, the system whereby we acknowledge that Canadians in certain circumstances may have been hurt by the goods and services tax if we did not take direct and specific action to redress that. The way of doing that is by enhancing and developing the sales tax credit.

In 1986 the credit was $50 for an adult and $25 for a child with incomes below $15,000. In 1990 it is now at $140 for an adult and $70 for a child with incomes less than $18,000. In 1991 it will be $190 for an adult and $100 for a child with an income of less than $24,000.

For single individuals there will be $100 extra and for single parents one of the children can be claimed as an adult. What effect does that have, remembering that it will be paid four times a year in advance of the expenditure being made? There will be 88.7 million families and individuals in this country who will benefit from the sales tax credit.

Families with incomes less than $30,000 will be better off under the goods and services tax than they are under the current system. That is where this system is fair. That is where this system addresses the needs of Canadians. That is where this system says to Canadians who need the help that we will give that protection and that help.

I am convinced that this tax, as controversial as it is and as controversial as it will be, is in the best interests of my constituents and I think the constituents of every member of this House. It addresses the realities of Canada in the world in 1990. It will help Canadians be competitive and productive in the next decade. It will protect Canadians who need our help and protection. It will make this country a fairer and a better place in which to live in 1990.

Mr. Barrett: Mr. Speaker, I want to thank you very much for the opportunity to participate in this debate before closure comes down and this tax is rammed down our throats.

I want to ask the member a few questions. He stood in this House and explained to us how wonderful it is going to be for those people who get a rebate. Now think about it. I want to tell the member that there are a lot more people in this country who would rather not pay the tax

at all than pay the tax and get some of their money back and expect to feel grateful for that.

That is the kind of convoluted logic of somebody who is trying to get a cabinet post rather than fight for the people in Newfoundland who are going to have this tax piled on to 12 per cent in Newfoundland.

I do not want to miss any other province in this country, but I want to spend a little time in Newfoundland.

• (1640)

The hon. member says that the government has the support of the citizens of Newfoundland to shove another 7 per cent down their throats. With high unemployment in that province, this disastrous government with its free trade policies and its fisheries disaster will give them the gift of a 7 per cent tax. They will get a free form so that they can ask for some of their money back.

An hon. member: Shame.

An hon. member: Isn't that wonderful.

Mr. Barrett: Mr. Speaker, This is the kind of guy who insults the intelligence of every Newfoundlander with that kind of speech.

Mr. Siddon: Don't be silly.

Mr. Barrett: "Don't be silly", he says. I will come to you in British Columbia in a minute. Just give me a minute.

I want to move to the fact that I am shocked and dismayed. I want to ask that member: Do you speak for the back-benchers from Alberta? They have been deathly silent on this matter. I do not include the Chair. The Chair has other responsibilities. All other back-benchers from Alberta are yet to open their yaps over this tax because they are scared to death as to how they are going to explain this tax to Albertans. They have never had a sales tax. They voted Tory, and now they are getting a sales tax.

Do you know who is laughing about this, Mr. Speaker? The Liberals are laughing. They know very well that when they read the polls, they think are going to be re-elected, and that the Tories are doing their dirty work for them by passing this tax right now.

I warn the people of Alberta that the speech by that member is the kind of speech made by the Tory-Liberal alliance that we are witnessing. It is nothing but a Tory-Liberal alliance addressing itself to the same service of the same constituency, the rich, and the hell with the rest of the people in this country. That is what it is.

Some hon. members: Hear, hear!

Mr. Barrett: Those Liberals are laughing at the Tories from Alberta. They are laughing at the Tories from Newfoundland, and that member speaks without recognizing that he is serving the cause of the Liberal party. He is a back-bencher and does not realize that there is a tacit coalition between those two old line parties to ram this tax through.

I have seen many bright young men and women come into politics who are called one-timers. They are described as those earnest young people who come here and support a government. They were brought in under the American expression of being swept into office with the flotsam and jetsam of a huge majority. That member is part of the flotsam and jetsam that came in with a new majority. He will be out in the next election, four years of his life sacrificed for that tacit coalition to serve special interests in this country, and he will not even get a pension.

I am a social worker. Do not come to me when you are down the tube, looking for help. It is your own fault. You are over 21. You should have known better than to get tangled up with that gang over other, even if the hon. member did work for the former minister. It is his own fault. I have enough of a case load without worrying over him.

It is the Alberta back-benchers who I am worried about. It is getting so bad that they do not even go home on the weekends. Those who do go home on the weekends in Alberta do not give anybody their phone number. If they are recognized on the streets, they say they are thinking of leaving the caucus.

Two members have actually served notice that they may speak against this bill. They have to do it quietly. They think they have a chance to get into cabinet. They are trying to balance their position on the GST and their ambition. Just think, one of them could succeed the Secretary of State for External Affairs. What an ambition!

I want to know whether or not every single back-bencher from Alberta supports this legislation.

Mr. Nystrom: Yes or no.

Mr. Barrett: I will not be the first to go to Alberta and report their answer, but I may be the second. There is not a single provincial government that endorses this, unless it is Social Credit in British Columbia, and they do not know from day to day what the heck they are doing anyway.

As for Alberta, Don Getty has got all of these guys on a separate list, under the list known as the H–I–T list, including my good friend from the tar sands, who will be in bigger glue and bigger tar if this goes through. I challenge him to get up along with that member—

Mr. Shields: Point of order.

Mr. Barrett: Wait. Wait, I will give you your chance. There is no point of order.

The Acting Speaker (Mr. Paproski): A point of order, the hon. member for Athabasca.

Mr. Shields: Mr. Speaker, I was challenged to state my position, whether I support the goods and services tax legislation that is now going through the House. I absolutely, positively do. I have absolutely no reservation whatsoever on that.

The Acting Speaker (Mr. Paproski): I will let the hon. member have another 30 seconds in order to put a question.

The hon. member for Calgary Northeast.

Mr. Kindy: Mr. Speaker, I am rising on a point of order because I do not support the GST. I am from Alberta. I am trying to represent the views of my constituents as well as the province of Alberta.

The Acting Speaker (Mr. Paproski): The hon. member has 20 seconds to put his question.

Mr. Barrett: Mr. Speaker, two words: Goodbye, Jack; hello, Alex. One of them is going to last and the other one is going down the tube. Mr. Speaker, I will leave it to you to guess what is happening. I speak for the west. We are opposed to this tax no matter what the government says.

Mr. Reid: Mr. Speaker, I do not know where to start. I do not know whether to say: "social worker, counsel thyself". Talk about insulting Newfoundlanders. One thing the hon. member should know is how to pronounce 'Newfoundland'. It is about time he, as a former premier, recognized that.

If you are going to talk to me about insulting my constituents, if you stand up here and say to my constituents you are going to put on a new tax, my constituents know damn well there is a tax in place now. For you to stand in this House and pretend there is no tax and all of a sudden we have a new 7 per cent—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Okanagan—Shuswap.

Mr. MacWilliam: Mr. Speaker, I think it is procedural precedent in the House to direct the comments through the Chair and not to other members of the House.

The Acting Speaker (Mr. Paproski): I believe that is what the hon. member intended on doing.

Mr. Reid: Mr. Speaker, I stand corrected. The hon. member, of course, is absolutely right.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): It is getting awfully close to five o'clock. The Chair does see all these things happening, but I just do not like to get involved in the debate. I am sure the hon. member realized what he had to do. I knew he was going to get to the point of saying "Mr. Speaker". I appreciate the hon. member for Okanagan—Shuswap bringing it to the attention of the House. If any member has any other complaint to bring to the Chair, I would appreciate hearing it rather than just sitting back and not saying anything.

The hon. member for St. John's East has the floor.

Mr. Epp: Mr. Speaker, a number of members clearly heard the member make a reference to the Chair and I ask that he withdraw it.

Mr. Samson: Mr. Speaker, if I made any comment that offended the Chair or any of the other members, I certainly do withdraw the comment.

The Acting Speaker (Mr. Paproski): The hon. member for St. John's East has the floor.

Mr. Reid: Now, where were we. Mr. Speaker, my hon. friend opposite has suggested that I purport to stand in this House and suggest to this House that every one of my constituents support this tax. I said quite clearly that this tax is controversial. I would be an idiot to stand here and suggest that all of my constituents support this tax.

I am willing to say two or three things on that though, Mr. Speaker, quite briefly. First, I support this tax and I defend this tax. I have defended and promoted this tax for three years.

• (1650)

Second, come good or bad, I am willing to let my constituents make their decisions on this tax, based on discussions in this House of Commons and based on the reality and truth of this tax. If it takes my colleagues opposite to block that information they get from my constituents, I am prepared to wait until this tax is in place, until this tax has an opportunity to operate. I will let my constituents judge then as to whether this tax is good or bad. Then and only then will my constituents judge me, not the hon. member who comes along and pats us on the head, like the great former premier.

Mr. MacWilliam: Bye, bye.

Mr. Reid: Bye, bye, fair enough. When that hon. member is back giving counselling, I will be in this House referring colleagues to him.

The Acting Speaker (Mr. Paproski): I will allow one short question for the hon. member for Saanich—Gulf Island.

Ms. Hunter: Mr. Speaker, I have had the opportunity to travel with the hon. member opposite, and I know he has a good sense of humour. That has been well demonstrated in his address this afternoon, especially as he relates to the talk of fairness in this GST and the "economic growth" that this is going to promote. I think this speaks a lot for his sense of humour.

We are talking about the relative merits of the manufacturers' sales tax. I think it has already been made clear in this House that no one is in favour of the manufacturers' sales tax. I think his tactic of putting the major focus of his debate on the manufacturers' sales tax is a means of avoiding the real issue. That real issue is tax reform.

When we are talking about tax fairness, I would just like to ask him how he can talk about tax fairness when over the last 40 years we have seen a real shift from taxing corporations to taxing individuals. In 1980, the tax was 69 per cent for individuals and 30 per cent for corporations. The projections for 1990 are 79 per cent for individuals and 21 per cent for corporations. We are talking about fairness in the tax system. How can he talk about fairness when this government is bringing in this kind of "tax reform"?

Mr. Reid: Mr. Speaker, I will be brief because I know other members want to speak on this. My colleague from Calgary is next on our side. I know he would certainly like to address the comments of my friend from British Columbia. He and 26 of his colleagues support this tax.

The whole point of this, of course, is to replace the manufacturers' sales tax. That is a position held by all parties in this House, that the manufacturers' sales tax must be replaced. If we want to deal with the question of tax fairness and redressing the balance, in June 1987 this government came forward with a tax reform that recognized quite clearly there was a problem. Individuals were taking too much of the burden of income tax. The immediate effect of phase one of tax reform was to immediately shift $3 billion of that burden away from individuals and into the corporate sector.

More than that, it eliminated some of the huge loopholes for businesses. It took away some of the tax shelters that businesses had taken advantage of needlessly.

The Acting Speaker (Mr. Paproski): Questions and comments have now terminated. On debate, the hon. member for Algoma.

Mr. Nystrom: Mr. Speaker, I think there might be unanimous consent in the House to entertain a motion that the member from Calgary Northeast now be heard.

The Acting Speaker (Mr. Paproski): The hon. member for Algoma has the floor on debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I thought it would be very interesting to hear the hon. member for Calgary Northeast. I am sure that every member of this House will want to be here tomorrow to hear him.

We would not want to break the stride of his speech, because we will hear from one honest Tory. He is listening to the people. This performance we have just seen from the hon. member for St. John's East shows that he obviously had a very weak case. That is why he thumped the desk so loud and spoke so loud.

We know the hon. member for Calgary Northeast will speak very clearly and concisely. He will not have to scream and yell because his case will be perfect. He will know exactly what he is talking about. Even though we did not grant permission for him to speak now, we will certainly hear from him tomorrow.

It will be very interesting to be here next January because no area of our country will be hit harder by this tax than Newfoundland. They already have a sales tax of 11 per cent, the highest in the country. It is the most regressive kind of tax. By this time next year there will be another 7 per cent added to that unless the Tories listen to the hon. member for Calgary Northeast and withdraw the tax. They may well do that because they know his arguments are right. They know that the people are with him not only in Calgary Northeast but throughout Alberta and throughout the country.

I do not think that the hon. member for St. John's East will be nearly as confident next year at this time because his people in that constituency and in that province will bearing the most onerous tax burden they have ever had to bear. Not only will they be paying 18 per cent sales tax on every meal they buy in a restaurant, it will apply to practically every good and service in that province. No province will be hurt more.

We are not talking about just one new regressive tax because during the last five years we have had a succession of regressive taxes; some 25 cents a gallon on gasoline, massive taxes on liquor and all kinds of non-prescription cosmetics; 31 different new taxes in the last five years. It would be very interesting if we could replay what we have seen this afternoon about the third or fourth week of next January and see how the hon. member for Athabasca, the hon. member for St. John's East and the hon. member for Calgary Northeast react.

There may be a draft movement by then to make the hon. member for Calgary Northeast leader of the party. It could well happen. He may be the only member who could be elected. Obviously, if he is the only member who can be elected he will be the leader of the Tory party.

The poll that was just published reinforces exactly what the member for Calgary Northeast has been saying, that the vast majority of people are opposed to the sales tax. They are definitely opposed to the 7 per cent sales tax. In fact, 79 per cent are opposed to the sales tax; 16 per cent are in favour of it and 5 per cent have not heard of it.

It is amazing, because of all the issues I have ever seen come before Parliament in the last 20 years, I have never seen so many petitions as the ones on this issue. It is unbelievable. There were never so many petitions on any of the controversial issues which came before Parliament. This government is clearly moving against the wishes—

The Acting Speaker (Mr. Paproski): It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

ABORIGINAL PEOPLES

NEEDS OF YOUTH

The House resumed from November 27, 1989, consideration of the motion of Mr. Anawak:

> That, in the opinion of this House, the government should consider developing special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education and health needs of aboriginal youth.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to support the private member's motion of my colleague with regard to the situation which is facing our aboriginal people. In fact I wish, for clarification, to read the motion which I think would be deserving of the support of all members of this House, namely:

> That, in the opinion of this House, the government should consider developing special initiatives, in consultation with Aboriginal peoples, to respond to the serious employment, education and health needs of Aboriginal youth.

That particular motion and, indeed, its substance I think can be concurred in by all members of Parliament. If one has taken the time to examine the situation of the aboriginal young people in this country, one would quickly recognize that their particular needs cry out for special initiatives by the Government of Canada.

From a health perspective I wish to lay before you some disturbing facts which reaffirm my desire, as well as that of my colleague, for the Government of Canada to initiate leadership on these very important issues.

In 1977, the number of hospital admissions of native people for infections and parasitic diseases was about seven times higher than the national average. The mortality rate among native infants was two times higher for natives and four times higher for Inuit than the national rate. The mortality rate was almost three times higher for native children ages one to four years than for non-native children.

A glaring fact which ought to be shared with members of Parliament is that in 1981, 50 per cent of native people were in the labour force and the average income was two-thirds less for natives than for non-natives.

According to an article published in 1989 entitled "Nutritional problems of native Canadians, mothers and children", fluoride is not present in the water supply of most native communities and must be given to combat dental problems which are rampant in some areas throughout their communities.

I could go on and on with a litany of facts which would support my thesis, namely, that there are major and serious social and economic problems being faced by aboriginal people in Canada, so much so that those particular problems demand an immediate and effective comprehensive response by the Government of Canada. It is not sufficient at all for the Government of Canada to say that because of budgetary restrictions, because of the fact that it has linkages to provincial jurisdictions, the Canadian government is somewhat paralysed in providing a comprehensive response. If that is what the government of the day holds, it seems to me that it has fallen by the wayside in terms of living up to its responsibilities in meeting the needs of Canadian people and, in particular, our aboriginal people.

Special initiatives to combat the educational problems with regard to aboriginal youth ought to be a priority for any government. It ought to be a priority for every government; federally, provincially, and, yes, even our own municipalities in the respective areas of this country must bear some of the responsibility. What we hear are responses from the Government of Canada which would suggest that there may be a problem and, if there is a problem, we do not have the money nor, more important, do we have the will to ascertain the answers to provide a comprehensive response.

So there is, first, the lack of financial resources. Second and more important, there is the lack of political will to evolve a comprehensive response to the many facts I have laid before the House on this occasion and previous occasions, particularly during debate with regard to the child care situation in this country. It is irresponsible of the Government of Canada not to exercise its jurisdiction, its legislative authority and its political will to try to come up with a comprehensive response.

There has been a clear example of this broken promise and lack of leadership with regard to child care. There are many native communities throughout this country that desperately require new spaces in order that native children be given high quality child care. The government's response is that it was to provide upwards of $60 million to try to address that particular situation. However, in April of last year the Minister of Finance, aided and abetted by the Minister for National Health and Welfare, axed $60 million from their budget.

I have travelled to the native communities across this country, albeit not as often as I have wished to. In fact, I have been in my colleague's constituency. In those communities you see the need. This is not a need just written on paper. It is not a need that is theorized, if you will, by the academics at Mount St. Vincent University in Halifax, or the University of Toronto, or in Winnipeg, Calgary, or Vancouver. This is a real need, a people need. The response is: "We have no money. There is no political will. We don't have a response. I'm sorry."

These kinds of answers emanating from the front benches across the way leave Canadians with very few options. One immediate effect of not addressing the real social and economic problems of our aboriginal youth is for people to lose hope but, more important, to lose hope and faith in those institutions that they have supported over the years.

Are we paralyzed as a Parliament? Are we so ineffectual in terms of bringing the largesse of the treasury benches of the Government of Canada to the particular needs of aboriginal youth? Are we so concerned with our own personal pay cheques, our own personal well-being, that we cannot see beyond our own borders to other

communities and other Canadians who are in need of financial help and special initiatives, some of which can be resources of the Government of Canada redirected from other government programs?

Are we so ineffectual as a Parliament? I would hope not. I would hope that government members would seize this particular opportunity and support the substance of the motion and thereafter have the ministers responsible, namely the Minister of Finance and the Minister of National Health and Welfare, be accountable for their dismal effort to date in responding to the social problems which are rampant in native communities across this country.

• (1710)

I speak of child care as one example. There are many other examples in terms of our aboriginal peoples to which I am sure every member will want to allude and, indeed, discuss in a fuller context. But let it be said that they were the first people and they, too, have rights. More important, we have an obligation as a Parliament to respond to those rights and those needs and thus far we as a Parliament, and I include members on this side, have been ineffectual in responding.

I realize that my time is somewhat limited and you are giving me the traditional wave to curtail my remarks. In conclusion, let me say that I support both the mover of the motion and the substance of the motion. I call upon my colleagues opposite, who are few in number today, but many of whom are aware of what is contained in this particular motion, to realize the intent with which it was moved, that being a sincere, honest, genuine belief that special initiatives are needed for our aboriginal youth, and to respond in kind. That is the kind of intention which is expected of members of Parliament who take the oath and take their seat in this great Chamber.

I call upon them to support this motion, as do I and all of my other colleagues, to make sure that it passes but, more important, to ensure that both legislative and administrative decisions be made to obtain the very laudable objectives contained in the motion of my hon. colleague.

Mr. Stan Wilbee (Delta): Mr. Speaker, it is a privilege to be able to speak on this very timely topic today. The motion before us calls upon the government to "consider developing special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education, and health needs of Aboriginal youth".

Like my hon. colleague, the member for Nunatsiaq, I believe these issues to be serious and pressing, and none more so than the health needs of our Canadian aboriginal peoples, the old as well as the young.

I will not begin my remarks by suggesting that the government is content with the health conditions of many aboriginal people. The fact is that it is not. There are simply too many indications that aboriginal people have not yet attained the same level of health and well-being shared by most Canadians.

The facts certainly suggest that there is cause for concern, but they also suggest that there are significant opportunities for bringing about positive and lasting change.

If we look at the registered Indian population in Canada we see that there has been a dramatic decline in infant mortality rates in recent years. This change has come about through better neo-natal and post-natal care and hospital deliveries. Yet this improvement has not been enough to alter the fact that the infant mortality rate of our native population is still twice that of the over all Canadian population. If we consider aboriginal youth, some 54 per cent of status Indians are under the age of 24. This compares with a figure of 38 per cent for non-native Canadians.

What then of the living and health conditions of our aboriginal youth? While aboriginal youth can now expect to live longer compared to 15 or 20 years ago, the life expectancy of an Indian male is still only 63 years compared with 72 years for the average Canadian male. For aboriginal women the figure is slightly better at 72 years compared to 81 years for the average Canadian woman.

The more telling statistics have to do with the incidence and causes of Indian and Inuit youth deaths and suicides. It is a deplorable fact that the highest rate of accidental and violent deaths occur in the 15 to 29 year old age bracket. Similarly, the highest number of Indian suicides are among the 20 to 24 year olds, which is five times the Canadian rate for this age group. In the case of

Inuit youth, suicides in the 15 to 24 year age group are also radically higher than the Canadian average.

There are undoubtedly a number of issues and causes behind these grim statistics, but there can be little question that people who have a reasonable measure of confidence in the future are unlikely to choose to end their lives in violent fashion, particularly in the prime of their youth.

These desperate actions do suggest that education, employment and economic opportunities have been insufficient in too many cases to offer aboriginal youth reason to hope for a better life and a better future. This has to change and this government is committed to ensure that it will indeed change.

In a minute I will be speaking about some of the programs and initiatives which are helping to deal with aboriginal health problems. But the fact remains that the most significant aboriginal health problems are not linked to any disease. They are linked to fundamental economic, social and environmental factors. It will only be through structural change and adjustment in these areas that significant and lasting improvements to the health status of aboriginal peoples can be achieved. This means ensuring that Indian and Inuit communities assume a greater role in the design and delivery of their own health care services in the broader context of self-determination.

Toward this end, the Government of Canada is moving on a number of fronts. First, there is a wide array of federally-funded health services for treaty and for status Indians. As of 1989-90, these services totalled more than $478 million. They include community health services, dental health services, environmental health and surveillance, non-insured health benefits, the National Native Alcohol and Drug Abuse Program, hospital services and capital construction.

These services cover the spectrum of promotive, preventive, curative and rehabilitative health care. They are responsible, in no small measure, for the significant progress that has been made over the last few decades in improving the health status of Indian and Inuit people.

As I said earlier, the government is determined to work closely with Indian and Inuit communities to put into practice the concepts of community support and self-determination in health services. It is for this reason that Health and Welfare Canada established and funded program transfers which enable Indian communities to assume responsibility for planning, organizing and implementing their own health services. Five transfer agreements representing 28 bands have been signed to date and others are in the works.

Another example of the government's commitment to promoting aboriginal self-determination in the field of health services is the Indian and Inuit Health Careers Program. Again, through Health and Welfare Canada, this program is helping to correct the under-representation of native people in health care delivery. The program encourages and supports Indian and Inuit participation in the pursuit of post-secondary health careers.

As well, more than $5 million have been channelled to post-secondary institutions as developmental funding to address the special needs of native students in such career fields as nursing, health education and health administration. These and other health related initiatives have a direct and beneficial impact on the lives of some 274,000 on-reserve status Indians in Canada.

In all, the health services provided both directly and indirectly by the Government of Canada serve the needs of approximately 440,000 treaty and status Indians.

The very size and diversity of our original population, the isolation, and the very different cultural needs of many communities make the design and delivery of health care services a challenge of significant proportions. In large measure, that challenge is being met, but as I said before, no amount of health care, no matter how well designed, funded and delivered, can address problems that arise from social, economic and environmental conditions.

• (1720)

We must take steps to stop the high rates of violent death and suicide among aboriginal youth. These young people must be able to look to the future with a sense of hope and a legitimate expectation, not only of a healthier but a better life. To bring about this change, we must be prepared to move with all possible speed to help Canada's aboriginal people attain the self-reliance and self-

sufficiency through which lasting economic and social progress can be achieved.

This is the government's objective. We are pursuing self-government at the community level and we have put in place the Canadian aboriginal economic development strategy which will put into the hands of aboriginal people the means to effectively manage their own business enterprises, economic institutions, job training and skills development. We also have an established program to help young Indians and Inuit acquire post-secondary education.

As I said at the outset of my remarks, the government is not content with the state of aboriginal health but neither is it content to continue to use methods and approaches which do not address the fundamental issues or support long-term solutions. We are committed to seeing that the cycle of aboriginal poverty, lost opportunities and unrealized human potential is broken once and for all. We are confident that we will succeed. That is the legacy which this government pledges to aboriginal youth and to all aboriginal people.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I thank my colleague for giving me the opportunity to speak ahead of him in order that I may return to the legislative committee.

Indeed, I am pleased to speak to this motion which is of vital importance to Canadians and which reads:

> That, in the opinion of this House, the government should consider developing special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education and health needs of aboriginal youth.

What is the situation for native Canadians? The situation for them, particularly the aboriginal youth, is that they are economically disadvantaged. There is discrimination, they are in poor health, social services are inadequate and hence, they suffer cultural isolation. As a consequence, they feel that they are second-class citizens.

It is particularly important that we focus on the youth because the native problems are magnified for them. They encounter tremendous obstacles, such as completing their education, finding a job, trying to handle or prevent pre-marital pregnancies, alcohol and drug abuse, suicide and problems with the justice system.

Only recently we have seen the report of the royal commission on the Marshall inquiry when Canadians have been told that, in fact, racial discrimination towards aboriginal people does exist. It is a sad state, Mr. Speaker.

The second reason why we should focus on the aboriginal youth is because the birth rate for native people is higher than for non-native Canadians. As a consequence, the aboriginal youth constitute a significant proportion of our native population. Therefore, their needs become greater and I should say quickly that their needs are truly urgent.

As a result of all of these things, we can anticipate increased family tensions and one does not have to quote any more statistics, because if there is higher unemployment for them, alcohol abuse, and drug problems, obviously the suicide problem will impact on the instability of the family. This must be addressed and must be addressed with initiatives, as indicated by the motion proposed.

The three specific areas that we are trying to address with this particular motion are health, education and employment. It is known that poverty, drug abuse, alcohol abuse, and geographic isolation would magnify any health problem any Canadian citizen would have. Because these problems are high among our native youth it should follow that they face these problems much more than the non-native Canadians.

The problem of their nutrition is also important. Just a few days ago my colleague from Nunatsiaq indicated to this House how, with the GST, the prices of food would increase in his part of the country. When the cost of food increases it should follow that access to them could be hindered and that would lead, or could lead, to malnutrition.

A University of Toronto study recently indicated that Indians on two northern Ontario reserves are twice as likely as an average Canadian to have a physical disability such as hearing, speaking and even seeing. This is as a consequence of poor living conditions and inadequacy of medical treatment and specialized medical services.

At one time the federal government agreed to transfer health care services to native control, but it was only a partial solution because the transfer of control was mainly administrative and the determination of the level

of services that ought to be provided for native people was not given to them.

The second area is education. It is known that the schools are lacking in research. Not only are the schools lacking but the equipment for these schools is lacking. As well, the number of qualified teachers and teachers familiar with the cultural, language and sensitivity of native youth is absent.

On many reserves schools offer education only to a grade eight level. How can we expect them in the future to be as good as we are? That ought to be our challenge as we ought to provide for them as good an education as any other Canadian across the country. When the drop-out rate is very high, when only about 7 per cent of them—those between the ages of 20 and 24—are able to attend university levels, there is something wrong with our system in this country.

The availability of the services and the availability of opportunities ought to be open to all. Since education is a necessary tool to break the cycle of dependency, when that education is not attainable, then the dependency of our native population will continue to be present and that, of course, does not speak well for our country.

Hence, aboriginal people need a fully-integrated aboriginal education system that would care for and teach native children from a native perspective. Universities must be established throughout and should be made accessible to them. Do they have to travel far to obtain a university education? I think we can make universities reach them rather than their trying to reach universities to make the situation a more positive one.

The second point I would like to raise is that of employment. The opportunities for them, of course, are limited. Inherently, if one has a lesser level of education the opportunities will be less for them rather than having a greater level of training. So again, there is the vicious cycle. In fact, most recent equity reports have told us that the representation of natives in the employment force is not as much as we would like it to be. In other words, they are under-represented in employment and this is even true in the federal service where the federal government truly can have an immediate leadership role.

• (1730)

In conclusion, it is obvious that the native population and the native youth, in particular, are suffering in the areas of health, education and employment. It is vital for the government to develop special initiatives to respond to these needs. These needs must be developed and carried with full participation of native Canadians, otherwise the initiative may not see its full productive fruition.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I will be brief. I would like to thank my colleague from Nunatsiaq for introducing this motion for debate. I think it is a critical motion and one that the House should take seriously. I hope that it would take it more seriously given the number of speakers we have here in this House.

In winding up his motion, the member has indicated that special initiatives are required and that those initiatives should be taken in consultation with the native people. It is very important that we recognize that the solutions to these problems require special initiatives and that they cannot have any hope of success without consultation with the native people of Canada.

In introducing this motion back in November the member outlined a number of statistics that most of us as Canadians should find absolutely intolerable. These statistics related to infant mortality and the fact that infant mortality among native newborns is twice that of children in the whole population. He went on to tell us about a whole series of problems with respect to tuberculosis and respiratory diseases.

The member for Delta has just indicated that suicide is a serious problem among young people in native communities all across Canada, not simply in the north, but on Vancouver Island, the area of Canada I serve. The suicide rate among native children is extremely high, especially among native young men. Something must be done. Nothing can be done about this problem unless it is done in consultation with the native people themselves, keeping their particular experiences in mind.

I would like to point out that when native communities examine the problem of suicide they are able to come to conclusions which best reflect their culture. Having developed that view of the problem, they are also able to

develop solutions that are more effective in their communities.

I would like to mention just one example. In communities in the Shuswap area of B.C. and also in the Cowichan area of Vancouver Island, native parents and communities were trying to find out what was causing suicides among their young people. They found out that suicide was related to a whole series of family problems, resulting from the system of residential schools that the Canadian government had imposed on Indian children. The government took the children away from their parents, put them in residential schools, and when those children came back they had lost all sense of how families operate, how to parent children, and of what the relationships are between children and parents in terms of things like incest taboos or the right to discipline children. They simply did not have that ability because the residential schools had been effective in destroying it.

Some communities in British Columbia, in order to deal with the family break-ups and the suicide problem, had to put families back together again and teach Indian children the whole concept of what an Indian family was all about. In effect, that concept had been destroyed in the Indian residential school system that Parliament had imposed on them for generation after generation.

What I am saying is that the solution to these problems are going to have to come from native communities themselves. They simply cannot do it without the resources being provided to them.

The member also mentioned low levels of education. Again, we are dealing with the same problems. I have had experience teaching native children in schools on the Queen Charlotte Islands and on the west coast of Vancouver Island. I know the problems we have in co-ordinating between the public school system and the kind of education that native children are looking for and require. The public school system across Canada has failed native children and native communities. There has to be changes in that system in order to make it possible for native children to succeed in the school system and to see that the school system works for them.

The same is true in the employment area that my colleague who introduced this motion mentioned as well. I live in a community where we have a fairly high level of unemployment in the native communities of my riding. That has not always been the case. I can recall visiting with families on the west coast of Vancouver Island who, when the fishery and processing facilities were all located on the west coast, native people had a high level of employment in those industries. Native people were considered the best workers in the industry. They did well financially and it was only when that employment was centralized in cities like Vancouver, Prince Rupert and Victoria, that their basic employment was taken away from them.

The issue is not that native people are incapable of working or incapable of the nine to five regime as organized by European society. They are extremely capable and effective workers. The problem is that our society does not hire them. I think it is important to reflect on the fact that there is no teeth in the employment equity legislation tabled in this House. There is nothing in that legislation to require companies that come within the federal jurisdiction to employ their required quota of native workers. They simply do not do it because they are not required to do so by the full sanctions of the law.

The same is true of federal government agencies whose employment equity programs operate under Treasury Board guidelines. This government does not even enforce its own guidelines on its own agencies. As a result, according to the Commissioner of Human Rights in this country, there is only one government agency that lives up to its employment equity requirements and that is the Department of Indian Affairs and Northern Development. All the other departments of government, including Indian and Northern Health Services and entities of government that serve native people in this country, do not live up to their employment equity guidelines and their affirmative action requirements to employ native people in their departments.

We have to impose sanctions on those organizations to make them do the job we have instructed them to do in terms of affirmative action. It simply is not being done because the political will is not being expressed by this government or this Parliament in terms of native people. That is why I think it is important to deal with the motion put forward by my colleague.

Native people in Canada are marginalized people. We live in a country which was virtually taken over by immigrants. Now, native young people see themselves in a country which they once could look at as their own and see themselves as people who are isolated and marginal-

ized. That kind of feeling is very destructive of the self-esteem and aspirations of native children.

It is possible for my children who are seventh-generation descendants of Irish and Scottish immigrants to look at Canada as a country that offers them more hope than their native neighbours who, to this day, claim legitimate ownership of this country. This is a problem still not resolved. Why does that happen? It happens because Parliament has not tried to resolved the unfinished business between Canadians and the native people of Canada so that we can live in this country as equals and that our children can look forward to a future of equal benefit to both of them.

• (1740)

What we need in this country is exactly what the member for Delta was talking about when he was talking about self-determination. The way we are going to succeed in having native children complete the education process and go on and become successful in the education system is to have native education systems. We will succeed when native children can go to school and learn from native teachers, learn aboriginal languages, and see their language, their school system and their teachers as being among the best in Canada and among the best that any other culture can offer. Then going to a native school is going to be perceived as something to do if one really wants to succeed.

When is native health care really going to serve the native citizens of our county? When the health care service is delivered by natives, administered by natives and oriented toward serving the community needs of native people of Canada. That is when it is going to be successful.

This Parliament has to realize that in order to be successful some of the power that we arrogate to ourselves or that the Department of Indian Affairs keeps to itself is going to have to be devolved and restored to those native communities that originally had those powers when they had their own right of self-government.

It is worth while that the member for Nunatsiaq has presented this motion for debate in Parliament. I have made a suggestion that was based on a proposal made to the aboriginal affairs committee by the Assembly of First Nations. I think that Parliament should take this suggestion seriously. It is that Parliament should be prepared to declare the 1990s the decade of aboriginal people in Canada. We have seen decades named similar to this before. We have seen the Decade of Women. We have seen the Year of Women in the Family declared by the United Nations.

Canada and this Parliament should take the step to declare the 1990s the decade of aboriginal people, setting as our objective the resolution of the unfinished business that exists between us and the aboriginal people of Canada. If we establish that objective for ourselves, then native people of this country will have something to look forward to.

It will be then that the statistics the member for Nunatsiaq talked about will be equalized to the benefit of all of us. It will be then that we will be able to reduce the number of health problems among native communities and be able to increase the educational opportunities of native Indians. It will be then that they will have the same opportunities as the rest of us in Canada.

Employment opportunities will be equal because this Parliament will have established it as an objective and declared the 1990s the decade in which we are going to resolve this problem. I hope Parliament will take this suggestion to heart.

[*Translation*]

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, I am very pleased to have the opportunity today to take part in the debate on the motion presented by the hon. member for Nunatsiaq (Mr. Anawak), who is to be commended for his interest in the well-being of Canada's aboriginal people.

Today, Mr. Speaker, I would like to coment on the education system for aboriginal people. In Canada, aboriginal people and non-aboriginal people have access to education. This is part of being Canadian. For aboriginal people, education is probably the most precious thing anyone could give them. Why? The reason is simple. The aboriginal students of today are a vital resource, not only for their communities but also for Canada.

We all recognize that a solid education makes the ultimate goals of self-government and economic self-sufficiency attainable. There is no doubt that aboriginal people are also fully aware of this. In recent years, education has become a principal social concern. This

interest has allowed aboriginal people to play a greater role in decision-making.

There was a time when the fate of aboriginal people was decided almost unilaterally by the federal government. That time is past.

Their increased participation in the area of education has resulted in improvements, not only in the quality of education but also in the number of graduates.

In order to lay to rest some of my colleagues' fears, Mr. Speaker, I would like to briefly describe the current system and outline the government's efforts to meet the needs and expectations of native people with regard to education.

When my colleague, the MP for Nunatsiaq, suggested that new initiatives be considered to meet the educational needs of natives, I sincerely wondered what he had in mind! The federal Government uses not one, but three, school systems to provide primary and secondary educational services for aboriginal people.

These services include federal schools, for which the Department of Indian Affaires and Nothern Development is responsible, band-operated schools on reserves, and schools run by provincial school boards.

In addition to providing a basic curriculum, many of these schools offer courses designed to meet the special needs of native people. These courses are offered from kindergarten right through to the last year of high school.

Furthermore, the federal policy of transferring control of native education to aboriginal people has led to new initiatives throughout the country. During the past ten years, a growing number of bands have taken charge of their school curriculum. Band-operated schools have been established across Canada.

In less than fifteen years, the number of schools located on reserves and run by band school boards has risen from 54 to 262.

In 1976-77, the number of students enrolled in these schools was 3,340. They now number nearly 30,000. These are indeed revealing figures.

It is particularly interesting to note that these schools have experienced an increase in enrolment at the secondary level. The number of students in secondary schools administered by bands has almost doubled in the past five years, increasing from 3,818 in 1984 to 6,839 last year.

Increased participation by parents and the community in the education process has certainly played an important role. However, we must not underestimate the impact of special training programs for native teachers, initiated by the Department of Indian Affairs and Northern Development.

This initiative made it possible to increase the number of native people employed in band-operated schools.

Currently, about thirty per cent of the teachers in federal and band-operated schools are native.

In addition, thanks to the department's alternative funding arrangements program, bands have greater flexibility in developing academic programs which are better adapted to their local values and needs.

All these initiatives have improved school attendance and student perseverance. It is clear that the increase in the number of students at the secondary level was bound to have a significant impact on post-secondary programs sooner or later.

In the past few years, native enrolment in post-secondary studies has increased significantly.

From 1981 to 1988, the number of aboriginal students at the post-secondary level rose from 5,467 to 15,084.

In less than thirteen years, the budget increased from $4.2 million to $130 million.

In order to continue to meet the growing demands of Indian students, bands, and political organizations, the governement began talks with the First Nations to find acceptable and practical solutions to post-secondary education. Bilateral agreements were signed with six political organizations and one educational organization on a procedure for discussion and negotiation of all fundamental issues. I am pleased that a consensus has already been reached on a number of matters.

• (1750)

As you know, this policy was discussed at great length in the House last April, so I will not dwell on the details of this program.

However, I would like to remind my hon. colleagues that the federal government developed this new program not only to help native people gain access to post-secondary education, but above all to make it easier for them to acquire a degree or a diploma. Post-secondary education is essential in order to enable aboriginal people to achieve their objectives of political autonomy and economic self-sufficiency.

The approach adopted by the current government is already showing encouraging results. I agree, Mr. Speaker, that there is still room for improvement.

However, I am convinced that with the increased participation and decision-making of native bands and councils, the current educational system will have a signficant impact on the entire aboriginal community.

Mr. Speaker, I wish to thank the hon. member for Nunatsiaq again for making us aware of the importance of native people in our country and I hope that our government will have the opportunity in the coming months and years to devote more financial and human resources all the time so that native people, who are full members of Canada, enjoy a better, more abundant life that will not only be a credit to each and every one of us here in the House but also to the whole country to which I am proud to belong. Mr. Speaker, I know that all my colleagues here, and in particular those on the government side, fully support me in this and in the measures that we are putting forward to improve this situation.

[*English*]

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I want to take this opportunity to thank my hon. colleague from Nunatsiaq for the opportunity to speak to the motion that he has brought forward dealing with aboriginal youth. The motion clearly states that what the government should consider is the development of special initiatives, in consultation with aboriginal peoples, to respond to the serious employment, education and health needs of aboriginal youth.

These are areas to which we can all truly relate and understand in light of many of the concerns that we face these days with our aboriginal youth across Canada. These concerns are not isolated to various regions. They are pervasive concerns. They go from coast to coast to coast and from community to community, from family to family and from individual to individual.

The right hon. Leader of the Opposition, the leader of our party, stated that one of the key elements of success for any society is to make an investment in education. In the aboriginal communities we have come a long way since the early 1950s and the early parts of this century. My leader said: "Education is the best investment we can give to start to combat unemployment."

Our Prime Minister has said from time to time that the best social policy is a job. These two go hand in hand. We need to pool our resources and our efforts.

I consider this to be a non-partisan issue in that it concerns the future of Canada. If we were able to deliver from the onset a series of programs and initiatives that would help the aboriginal communities, a large portion of the costs of social services and programs would not necessarily be needed.

I want to refer to a number of experiences I have had. In the last week I was in Washington, D.C., when the President of the United States gave a state of the union address. In this address President Bush made a commitment to the youth of the United States to go forward with resources and initiatives that would help them train for a technological age which would better equip them.

What we have to do with the aboriginal community and the aboriginal youth is not to marginalize them to various sectors of training. We have to throw open the doors and make available education of every sort and every type. Aboriginal people may want to train for a particular career or a particular job, and that should be available to them.

I had the opportunity in December to tour my constituency and to visit a number of residential schools where I met at least 50 teenagers who were in their high school years. These are the future leaders of my particular area. I am sure that across Canada there are many such youths. These people are not people who are ridden with social malaise. These are not youth who are ridden with social problems. These are youth who have an optimistic future and who, given the opportunity, given the resources, given every bit of effort that we can muster, will be able to make it, not just through high school but to post-secondary education. I had the opportunity to speak

to these young people. It does well for these young people to see models who come in contact with them.

I want to say that we have to give encouragement in our own communities. I say that because I am an aboriginal person. I have three children. I come from a family of 15 surviving children. My family has benefited greatly from education.

I think one of the truly great experiences that we can offer to our aboriginal youth is to help them to broaden their horizons. I think how that can come about is through some very simple ways. One is that the government makes the resources available because education is a definite investment. It is a good investment which has positive results for the government and for the country as well. I think what happens is that when you put money into programs for students you are bound to come out with something that is going to help not just that student or that individual but that family, that community and that region.

It has been proven in many aboriginal communities that an aboriginal youth who has gained a high school education, who has a college or a university degree, is an individual who gives back to his community in spades.

I also want to say that there are a number of concerns which plague us. One of the areas that we have to think about is health. In the health area we have to think of essentials. Every student needs a place to sleep, a place called home. Every youth needs proper nutrition. Every young student needs proper child care. Every student needs to be protected and to have a home to go to, to be able to have quarters in which to study. These are things which we may not think about but they are very important.

We also have to be daring in our initiatives. We have to be risk takers. What we as the leaders in this country have to do is to put resources where we will produce results. These results will show in the area of the people having gained excellence in a number of areas such as the arts, music, if possible, and education—

Mr. Milliken: I rise on a point of order, Mr. Speaker.

It is before six o'clock. I know that there is a disposition on the part of members on this side of the House to discuss the goods and services tax. I wonder if there would be unanimous consent to allow the sitting to resume following the late show for the purpose of discussing Bill C–62 until midnight.

We would be prepared to give unanimous consent so that we would have the opportunity to discuss the bill. I think there might be a disposition on the part of the House to allow that.

Some hon. members: Agreed.

Some hon. members: No.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TOURIST INDUSTRY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today as a result of a question that I asked in the House on October 2, 1989.

At that time I raised serious concerns about the devastating impact that the goods and services tax would have on the Canadian tourism industry, especially in Atlantic Canada.

On that particular day I asked the minister about the negative impact on Atlantic tourism, one of the few industries in Atlantic Canada that has not been devastated so far by this government's policies. The response I got that day from the minister responsible was absolutely incredible. The minister responsible indicated to me that there was nothing to worry about, because what was going to happen was that foreign tourists coming into Canada were going to have an exemption. They would not have to pay the tax, so everything was going to be fine and good and there was no problem in Atlantic Canada, especially in the tourism sector.

• (1800)

It is obvious that the minister simply does not understand his portfolio. If he understood his portfolio, he would not have given that answer. In my home province of Nova Scotia the economic value of tourism is at least $760 million a year. I believe those figures that we put together were from May 15 to October 31, 1988, so we are not even talking about a full year here. The value for three-quarters of the year in the tourism industry in Nova Scotia was $760 million, one of the largest indus-

tries in Atlantic Canada, one of the largest industries in Nova Scotia and one, thank goodness, that was doing fairly well. We have a lot to attract visitors there.

What the minister opposite failed to realize was that in Atlantic Canada, in Nova Scotia in particular, of 1,222,000 who visited that province between May 15 and October 31, 1988, fully 74 per cent or 903,000 of those visitors were Canadians.

The incredible response that I received in the House to my question on October 2 was the minister basically saying that for the first time in history this government was going to treat foreigners better than Canadians. He said that if you come from the United States of America, the government will not tax you, but if you are part of the 74 per cent or almost one million Canadians who are seeking a seaside holiday and choose to come to Nova Scotia to enjoy it and to spend money in my province, you will be taxed.

It was absolutely shameful for the minister to stand up and think that he was delivering good news. It certainly showed that he knew very little, if anything, about his portfolio. He certainly showed that day that he knew nothing about the tourism sector in Nova Scotia.

The tourism industry and its representatives in Nova Scotia have spoken against the goods and services tax. They spoke against it when it was proposed by this government. They spoke against it when the finance committee met in Halifax, when it was at that point a proposed 9 per cent goods and services tax. Since that period in time, the government has lowered it to 7 per cent and thinks that everybody is going to swallow that. Government members like to stand up and state that the tourism sector, or the restaurant sector, are really in support of the GST as long as it does not affect them, or as long as the rate is low.

Quite clearly, they do not even read the the press. They have not even read, or if they have, they have not understood, what has been said at the finance committee hearings. I refer to the *Chronicle Herald* of Saturday, January 20, 1990, where the headline states: "TIANS drops GST support". The Tourism Industry Association of Nova Scotia stated:

> "As far as prices are concerned, there is no question the GST will be devastating to the tourism industry", Gordon Harmer, the group's chief executive officer, said Friday in an interview.

He also stated:

> The national group predicts the GST will rip $1 billion out of Canada's tourism industry and force at least 25,000 people out of work.

Yet when I asked my question in the House of the minister who should have been responsible for tourism, he stood in his place and told me that things have never been so good. He said: "Don't worry about it because the people who are coming from the United States are not going to be taxed".

What I have said in this House before is that this government's goods and services tax is going to absolutely cripple and devastate the tourism industry in Nova Scotia and across Canada. What the government is going to do with its goods and services tax, this brilliant piece of Toryism, is drive Canadians who are seeking a seaside holiday state-side. The only people who will benefit from the 7 per cent goods and service will be some of President Bush's buddies in Kennebunkport. When Canadians are considering a holiday and want some Atlantic seaboard hospitality, they will go to Maine where they do not have to pay a 7 per cent tax. That is exactly what they are going to do.

• (1805)

With the figures that I have put forward in the House tonight as a further elaboration of my question, surely the minister or the parliamentary secretary will be able to give me a better answer. Surely to goodness since October 2 they have had an opportunity to check the facts. Surely to goodness since October 2 they have had a chance to check the record and to consult with some people in the tourism industry. I look forward to their response today. The only reasonable response is for the Conservative Government to drop the goods and services tax because it knows that nobody in this country supports it, and that the one growth industry that it has not been able to cripple so far is the Atlantic Canadian tourism industry.

I look forward to a very positive reply from my colleagues on the opposite side of the House. I am sure that the logic and the facts that I have just given them would show any reasonable individual that the goods and services tax will be devastating to the tourism industry in Atlantic Canada, in particular in Nova Scotia, and that

no Canadian government would ever support a tax or a policy that would give foreigners in Canada preferential treatment over Canadians.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very glad to hear that the hon. member opposite is so sensitive to the tourism industry. Certainly, as one who has been involved in that industry for the past decade, both as a publisher and as a volunteer in promoting the industry, I was interested in hearing his comments. I am even more delighted to set him straight on a couple of the errors that he made in his discussion.

First, I would like to emphasize that the federal government recognizes and remains committed to enhancing the important role of tourism in our economy. In this context, we believe that the GST will be a vast improvement over the present federal sales tax which restricts Canada's economic growth. The new tax will help Canada compete in the world economy, and people in the tourism industry will appreciate that.

In collaboration with representatives of the tourism industry, the minister has undertaken extensive consultations with his colleague, the Minister of Finance, regarding the effect of the GST on the international competitiveness of the industry. I am happy to report that, based upon the information provided in the recently released technical paper, these efforts have resulted in provisions that reflect consistent application of the underlying principle of the GST which is designed to improve the competitiveness of Canada's export industries. Among them, we include tourism, which is an export industry.

Thus, purchases of goods and accommodation by foreign visitors will be eligible for a rebate. The GST rebates to foreign visitors have provisions that are not available in other countries with similar taxes and that is a distinct advantage to our tourism operators here in Canada.

For example, Canada is the only country in the world with a value-added tax to offer a rebate on accommodation. International passenger transportation, both inbound and outbound, and inbound air travel purchased in the U.S. will be exempt from the goods and services tax. More people coming into the country and spending money help support our economy. Also, cruise ship operations to points outside Canada will be included. In addition, public and private sector attractions will be treated equally.

Measures have been put in place to ease the administrative burden on small business. Businesses with annual sales of less than $30,000, which includes very many small tourism operators along the border, will be able to opt out of the GST system entirely and an administration fee will be available to small businesses that will also be allowed to remit the tax less frequently than other businesses. These measures, I believe, demonstrate clearly the government's recognition of the importance of the tourism industry in the export sector.

It is also important to note that the Conference Board of Canada's projections indicate continuing growth in the tourism industry. The initial impact of the tax may be a slight decline in the rate of that growth, however, the industry will continue to grow to provide jobs for Canadians and revenues for the private sector and governments. Once the tax is in place and the over-all economic benefits from a more efficient tax system are felt, the tourism industry will grow more than it would have without the GST.

• (1810)

A number of studies undertaken by Tourism Canada, for example, have indicated that Canadian tourism prices are generally considered to be competitive to prices in the United States and other jurisdictions, especially when the total package of goods and services bought by tourists is considered.

A recent survey indicated that in the United States lodging, meal and domestic airfare costs are higher than those in Canada by 36 per cent, 20 per cent and 17 per cent, respectively. Tourism Canada is currently conducting a major new travel price value perception study to evaluate price as a factor in the influencing of travel to and from Canada. My colleagues would be pleased to make this information available to interested members when the study is completed in the fall of 1990.

With respect to travel in Canada by Canadians, I believe that it is important not to overstate the significance of the GST. Even relatively small fluctuations in exchange rates will more than offset any incentives under the new tax to travel abroad. It should not be

forgotten that Canadians travel in their own country for a variety of reasons, to visit friends—

The Acting Speaker (Mr. Paproski): I would love to hear the hon. member for another few minutes, but her time has more than expired.

CHARITABLE ORGANIZATIONS

Mr. Stan Wilbee (Delta): Mr. Speaker, I rise this afternoon on the question I asked last week of the Minister of National Revenue. It is based on the fact that each year 5 million Canadians claim charitable gifts of $2.5 billion to Canada's 60,000 registered charities on their income tax return.

Canadians from all walks of life give millions of hours of their time as volunteers to these organizations. All Canadians benefit immeasurably from the work of the charities sector. Charities include welfare agencies, hospitals, universities, colleges, religious groups, and a myriad of community organizations established to assist those in need in every part of the country and to address such issues as the environment and the advancement of aboriginal peoples.

Throughout Canadian society, charities play a vital role in providing service in all facets of life, often delivering a more responsive, effective and economical service than could be provided through government action.

Historically, the federal government has recognized and supported this important contribution of charities by the granting of special tax status to charities. Charities are exempt from tax on their income, and donors may claim a tax credit or a deduction.

It is axiomatic that all charities rely on the goodwill of the public to accomplish their works. That this goodwill exists can be seen from the time and the money given freely by the people of this country. Canadians are justly proud of the vitality of the charities sector which reflects on the health of the country as a whole.

To my mind, the key to preserving a healthy charities sector is in maintaining that sector's credibility with Canadians. Only by sustaining this credibility will charities be able to continue to rely on the public to respond generously to their appeals for support.

It is regrettable, though perhaps not surprising, that on the relatively infrequent occasions when an individual associated with a charity steps outside the law, widespread media attention is paid to the issue. Too often the public reacts against the sector, rather than the individuals involved. On these occasions, it is unfortunate that the whole of the sector is harmed by the actions of the few. When these kinds of reports threaten to erode public confidence in the sector as a whole, this is a very serious matter for all Canadians.

I should stress that, to my knowledge, there is no widespread abuse by registered charities. But it does seem to me that the special tax treatment of charities must be justifiable to all taxpayers who must pay for the special tax concessions provided charities, because they in turn must shoulder a larger share of the tax burden.

I would therefore ask the Minister of National Revenue to let us know whether the government intends to ensure that public confidence in the sector is not eroded by the actions of a few charities such as we have seen in the last few months and which have been so widely published in the media.

• (1815)

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, first I would like to thank the hon. member for putting the question and congratulate him on the interest that he has demonstrated for this very important sector.

In answer to the question at the end of his statement, that is why we are conducting a review. As I pointed out in an answer to a question in the House just last week, and I will quote part of it: "There are some 60,000 charitable organizations across this country, the great majority of which are very legitimate organizations and benefit society as a whole.The hon. member is correct in saying that over the past months and the past couple of years there have been a few who have taken advantage of some loopholes and have abused the system at the expense of the majority of the others. Therefore, as recently as last November I advised my officials to begin a comprehensive review of the whole system. We are now in the process of consulting with interested individuals and organizations across the country with a view to eliminating any abuse that may in fact exist. Our objective is to make the system fairer, simpler and better for the majority of legitimate charitable organizations in this country."

This review then is intended to improve the system while maintaining and improving the credibility of the majority of charitable organizations across the country that contribute so much to our society.

Some of the things that we are looking at in the review, because we have been asked quite specifically as to what we are looking at, is to look at ways and means to open up the reporting from the charitable organizations so that there cannot be the abuse by a few individuals within certain organizations at the expense of the majority of the others.

The other area that we are looking at is to make the system clearer and simpler, as well as the definitions and regulations. All of this is being done in consultation with the representatives from the sector and those consultations are ongoing today.

It is my hope and my wish that by this autumn we will have a discussion paper for the public to look at, hopefully with some recommendations that I could bring back to my cabinet colleagues, particularly the Minister of Finance and the Department of Finance so that if there are any amendments to the Income Tax Act that have to be put, we would be able to do so in consultation, obviously, with the department and with cabinet as a whole. The timing in that area is to look at the early part of next year.

I am very sensitive at the same time to the special problems facing charities which rely on volunteers and limited resources. I will personally ensure that these are fully taken into account in the course of the review. The aim of the review is to ensure that the administration of the tax law contributes to the effectiveness of the sector without increasing the paper burden on individual charities.

Finally, I wish to reassure charities that the government continues to be committed to a strong, charitable sector and the objectives inherent in the present tax measures. The review that I have initiated is directed toward providing a simpler, fairer and more effective administration of the income tax measures in place to assist charities. Improvements will be made for the benefit of all legitimate charitable organizations and for Canadian society as a whole.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion that the House do now adjourn is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.19 p.m.

HOUSE OF COMMONS

Wednesday, February 7, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL UNITY

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, the city of Thunder Bay at committee of the whole last Monday passed a motion to make the city unilingual—English only. Unfortunately, this has been interpreted as anti-French, anti-minority and anti-Quebec.

Let me assure you, Mr. Speaker, and through you to all members of this House and Canadians that this is simply not so. This vote expresses the frustration and the dissatisfaction with this government. It is a backlash.

Never before have residents of northern Ontario felt so alienated, so excluded and so ignored by this government. This government's policies show complete disregard for the needs of northern Ontario people.

It has eliminated our passenger rail service. There is a 15 per cent export tax on softwood lumber. There is a closure of rural post offices. There is a lack of satisfactory roads. Gas prices are exorbitant. There is lack of enough grain to ship through our port, and now we have to face the goods and services tax and what it will do to an already troubled economy.

There is fear, although unfounded, about the rights of northern Ontario if we don't, like myself, speak French.

People in northern Ontario and Thunder Bay are patient and caring people. We are not saying "No" to our fellow Canadians from Quebec. We have the highest respect for them. We value the rights of all Canadians and all minorities.

All we ask is for this government to give us an equal chance—nothing special but an equal chance for all Canadians in the north to participate in the Canadian dream.

* * *

[*Translation*]

CEREBRAL PALSY TELETHON

Mr. Jacques Vien (Laurentides): Over the past weekend, Mr. Speaker, I had the privilege of participating actively in the 14th Cerebral Palsy Telethon in my Laurentides riding. I wish to emphasize the outstanding effort made by the organizing committee and the great many volunteers. They all spent a lot of time and energy to make this event an unqualified success and finally reached their target.

Mr. Speaker, I wish also to pay tribute to all the people who responded generously to this appeal. The commitment of all my constituents will certainly help the efforts of the scientists who are involved in cerebral palsy research with the hope that we may eventually refer to this condition as a thing of the past.

* * *

[*English*]

CANADA POST CORPORATION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, across Canada the Canada Post Corporation has been telling Canadians it is committed to providing services for rural Canada.

We all remember the full page newspaper ads which appeared recently stating in large letters: "We are in rural Canada to stay". Once again, Canada Post is hiding behind its own propaganda.

On February 26, Canada Post will close the post office in Dubuc, Saskatchewan, forcing Dubuc residents to a

neighbouring community for its retail postal services. Canada Post is obviously not in rural Canada to stay.

I call on the minister responsible for Canada Post to halt immediately this particular closing and commit the government to the delivery of quality postal service for all rural Canadians by maintaining full service post offices throughout Canada.

* * *

[*Translation*]

WHITE CANE WEEK

Mr. Marcel R. Tremblay (Québec East): This being the White Cane Week, Mr. Speaker, I wish to remind my hon. colleagues in the House and the general public that all Canadians have the basic right to participate fully in our society, reach their goals and develop their potential. However, for the 500,000 blind and visually impaired people in Canada, leading a normal life has its problems. To fully participate in the life of their country, citizens of both sexes must have access to the information they need to make wise decisions. Unfortunately, blind and visually handicapped people cannot read printed material.

During this week which is focused on free access to information, we should altogether find out ways to make sure that visually impaired Canadians are fully informed. In this regard, I wish to emphasize the tremendous contribution of the Canadian National Institute for the Blind and the Canadian Council of the Blind who are partners in this quest for universal equality.

* * *

CANADIAN EXPLORATION INCENTIVE PROGRAM

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, on May 3, 1988 the Canadian Exploration Incentive Program (CEIP) was annouced in response to the concerns voiced by the resource industry. Mining companies were worried about the negative impact of two factors on their ability to raise new capital through the issue of flow-through shares to support exploration activity, namely the stock market crash of October 1987 and the tax reform. That program will terminate on December 31, 1990.

For some months now, the *Association des prospecteurs du Québec* fears that the next federal budget may dump that program. Mr. Speaker, on behalf of my constituency of Abitibi a prime mining area, I urge the government to consider seriously the concerns of the Quebec Mining Association and Quebec prospectors.

* * *

BILL C-21

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, our parliamentary system is becoming a farce at the hands of this government. The Unemployment Insurance Bill C-21, has not yet been enacted but the Minister of Employment and Immigration already has asked employers to deduct premiums under the amendments proposed in that bill.

[*English*]

Mr. Jim O'Harra, a constituent of mine, 76 years of age, is holding down a full-time job to help supplement his pension. He called my office because his employer has already been deducting UI premiums from his pay. The hon. member for St. Boniface has received similar complaints.

When a bill has not received the approval of Parliament, this government has no authority to take money from people who can ill afford to pay these premiums.

[*Translation*]

I am urging the government to stop that ridiculous action and show a little more respect for Parliament and the people we are representing.

* * *

• (1410)

RIDING OF CHAMBLY

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, in the Chambly election the NDP candidate has missed no opportunity to unfairly attack the GST bill, the legislation concerning the sales tax reform on goods and services.

However, the former president of the Automobile Association, that champion of automobile owners, deliberately omitted to inform constituents in Chambly of the savings they will be making when they buy their next cars, thanks to the GST. They will be paying roughly $800

less for a $12,000 to $15,000 car, roughly $1,200 less for an $18,000 to $20,000 car.

Why has he lacked the honesty to inform constituents in Chambly? Isn't it time to do it now, tell the truth to constituents in Chambly? Unless of course the NDP candidate caught that double-speak contagion, the double-speak on Meech Lake.

Mr. Speaker, does he support lower prices for cars, yes or no?

* * *

[*English*]

THE ENVIRONMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, I rise today in this House to raise an important environmental issue affecting not only the residents of Maple, but millions of people in Ontario.

Governments at all levels claim to care about our environment. However, government actions taken to date in relation to the Keele Valley landfill site issue indicate that the political rhetoric of governments far outweigh their true commitment to safeguarding our environment.

The Keele Valley landfill site is situated in the Oak Ridges Moraine and on top of two major aquifers which feed Lake Ontario, the source of drinking and utility water for millions of Ontarians.

The expansion of the Keele Valley landfill site has the potential to seriously contaminate the quality of our water.

This is not the time to by pass environmental assessments. This is not the time to make politically expedient decisions. This is the time to look at intelligent alternatives to the problem and replace the rhetoric with substantive solutions.

I ask and urge the Minister of the Environment, the Hon. Lucien Bouchard, to intervene in this issue so that we can find an environmentally sound resolution to this very pressing environmental problem.

* * *

VIOLENCE AGAINST WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, last night we saw another example of callous acceptance of violence against women. A woman was sexually assaulted on a busy intersection in Calgary. She was running down the street naked, begging for help. Brian Dorscht was the only person who responded to her screams for help. Other people simply shouted obscene remarks and encouragement to the attacker. A police officer brushed off the tragedy saying: "Of course people will catcall when they see a naked woman."

We must make educational programs for judges, police, and the public to fight violence against women a priority in this House.

We can remove the "honest belief" clause from the Criminal Code which allows men to get away with rape. We can remove the regulatory red tape that is—

[*Editor's Note: And the hon. members for Vancouver Quadra and Windsor West having entered the Chamber*]

Some hon. members: Hear, hear!

* * *

RECYCLING

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, last week I was pleased to learn of an environmental initiative taking place in Mississauga which I believe deserves our attention.

McDonald's Restaurants of Canada Limited has launched its first Canadian community-wide recycling program in all 10 of its Mississauga restaurants which includes the outlet in Malton.

McDonald's has been an environmentally conscious leader in the restaurant industry for some time and in 1987 was already phasing out the use of CFC-12, the fully halogenated chlorofluorocarbon which destroys our fragile ozone layer.

With its recycling program under way McDonald's restaurants in Mississauga are setting a pace for the restaurant industry to become environmentally conscious.

Perhaps more importantly it is a message that reaches our children. They will learn through recycling programs such as these that preservation of the environment is a responsibility we all share. What better way to ensure an environmentally sound future?

S. O. 31

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, there is mounting concern about the Great Lakes ecosystem and the threat pollution poses to public health, yet this government has left vacant since last summer the Canadian chair of the International Joint Commission.

Why is the government taking so long to find a suitable replacement? Canada needs a strong commissioner committed to public health, the rehabilitation of the ecosystem and one who is familiar with pressing and difficult issues.

The Great Lakes pose a significant challenge to the IJC, but they are only part of a mandate that includes bilateral issues from St. John's to Vancouver. The IJC needs a full slate of commissioners to represent Canadian interests.

We urge the government to fill this vacancy quickly with a competent person. The Minister of the Environment must ensure that Canada has the means to live up to its commitments.

* * *

COMMUNICATIONS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, people on the prairies are getting sick and tired of the Minister of Communications unilaterally dictating what should happen to the prairie phone systems.

Yesterday, a report was released by Dr. Robert Olley of the University of Saskatchewan who is respected as an expert on telecommunications economics across North America. In it he clearly demonstrates that based on actual 1988 figures local phone rates for rural users would jump 167 per cent and those for urban users 140 per cent under the minister's proposals.

Clearly, what the minister is proposing would cut off rural, isolated and low-income Canadians from basic phone service, their lifeline to the communications system of the future. If the minister realizes this, he should withdraw his proposals immediately. If he does not, the Prime Minister should replace him, and replace him now.

TRIBUTES—THE RIGHT HON. JOHN N. TURNER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise with the permission of the House to comment on the decision announced earlier today by the right hon. Leader of the Opposition, at some early moment I understand, to leave public life. I want to begin by saying, on behalf of all members of this House and I think all Canadians, that his departure will be deeply regretted by Canadians and he will be genuinely missed across this country.

Some hon. members: Hear, hear!

Mr. Mulroney: The Leader of the Opposition has held the highest positions in government, including Minister of Justice, Minister of Finance and Prime Minister. All of these functions, without exception, he exercised with dignity and grace. Clearly, we have not always agreed on every issue—

Some hon. members: Oh, oh!

Mr. Mulroney: —but on most of them. There were some modest differences over the years.

I have always been aware of the largeness of view, the innate Canadianism and the genuine love of Canada that marked all of his actions.

Of the Right Hon. Leader of the Opposition it should be said that when he faced a choice between party advantage or what was good for Canada, he always chose the latter, as, for example, in his undeviating support for the Meech Lake Accord, not an easy choice for anyone. However, as he accurately observed in a very eloquent phrase, I believe, it placed him and his party on the right side of history.

I can now say today what I could not say as freely before. In the House he was tough and unrelenting, and I have all the scars you would ever want to see to prove it.

Some hon. members: Oh, oh!

Mr. Mulroney: Apart from that, he was also fair.

John Turner was and is an outstanding parliamentarian with a finely tuned understanding of what this House is all about. His reverence for this Chamber was both evident and impressive. He is a man of strong convictions and courage, a man who soldiered on when the going got tough, a man who smiled in the face of adversity and who

never complained publicly, ever, in moments of what must have been for him, as comes to all leaders, private dismay.

I have always thought that there is a special place in heaven for those who have had to lead the Opposition in Canada. For the sake of the right hon. member for Yellowhead and myself, there had better be.

• (1420)

Some hon. members: Oh, oh!

Mr. Mulroney: One does not always receive in that job the adulation and universal acclaim that goes hand in hand with being Prime Minister.

[*Translation*]

It takes patience, a lot of patience and strong convictions. But above all, Mr. Speaker, it takes courage, something the Leader of the Liberal Party has never lacked.

I think that at this point it would be appropriate to recall that about 25 years ago, as Minister of Justice, the Leader of the Liberal Party tabled the first Official Languages Act in this House. Throughout his career, he has demonstrated his loyalty to the basic principle of equality between both major language groups in this country.

All Canadians who are anxious to preserve the unity of our country will never forget this outstanding contribution by the Right Hon. Leader of the Opposition.

[*English*]

The Leader of the Opposition took strong stands on major issues. There was never any doubt about where he stood on issues ranging from free trade to Meech Lake or national defence. He hurled himself into the fray with vigour and the joy of battle. In many ways some of the words of Teddy Roosevelt spoken decades ago at the Sorbonne clearly apply to the Leader of the Opposition:

> It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better.
>
> The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, and comes up short again and again; because there is not effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause, who at the best knows in the end the triumphs of high achievement and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

That, Mr. Speaker, is a description of a man of courage and the Leader of the Opposition is, indeed, all of those things.

Some hon. members: Hear, hear!

To his wife Geills and family our very best wishes for a future of good health and accomplishment and serenity together. You, John, have served Canada well.

Some hon. members: Hear, hear!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I would certainly like to add the congratulations and best wishes of the New Democratic Party.

[*Translation*]

The Right Hon. Leader of the Opposition, elected to the House of Commons for the first time in 1962, has represented various ridings in three provinces and has never lost an election. That is a good example to follow!

The hon. member's profound respect for parliamentary democracy is well-known. He sees the role of the House of Commons as central to our parliamentary system.

It is one of his great qualities we admire and respect.

[*English*]

I had the opportunity to speak to the former leader of the New Democratic Party with whom the right hon. Leader of the Opposition served for a number of years. He wants to add his best wishes for the future.

I have looked over the accomplishments of the hon. member. He deserves the fine tributes that he has received from the Prime Minister today. They come from our party as well.

Being a relatively new leader, I thought looking at some of his background could be an instructive experience. I noted that he was the Canadian junior champion in the 100 and 220-yard sprint—something obviously useful in politics, particularly if you happened to be Minister of Finance. I think the current Minister of Finance might agree.

Some hon. members: Oh, Oh!

Ms. McLaughlin: I noted also that the right hon. Leader of the Opposition used to write a column in the *Ubyssey* called "Chalk Talk With Chick Turner". Since we do sometimes go back to the successes of our youth as we move on to new things I will now be looking for a column entitled, perhaps, "Straight Talk from Bay Street on Free Trade", or something like that.

Some hon. members: Oh, oh!

Ms. McLaughlin: I do want to say sincerely that it has been a privilege to serve in this House with the right hon. Leader of the Opposition. I want to tell the Leader of the Opposition and his family what Ed Broadbent said to me when I spoke to him. He said: "If I were to sum up the Leader of the Opposition I would say he is a fine man, an honourable politician and a great Canadian".

We add our best wishes for your future and that of your family.

Some hon. members: Hear, hear!

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I know I speak for all members of the Liberal caucus today when I say to John Turner that notwithstanding the turbulence of days gone by and notwithstanding the preoccupation with the days ahead of us, each and every one of us has been proud, exceptionally proud, to stand with you, sir, through two general elections.

Some hon. members: Hear, hear!

Mr. Tobin: In the history of every political party, in particular one that has been as successful as ours over the decades, there must from time to time—and the Prime Minister alluded to this—be a period of opposition. The forces of history, forces that are greater than any one individual, set of individuals, or organization deem that there must be a period of opposition.

The challenge of leadership in those times is one of renewal and rebirth. In that regard, John Turner, you have fulfilled your mandate as leader of our party with integrity, total commitment, courage and, I believe, with great success.

Many of us on this side of the House and in this caucus have on some days and on some issues failed to persuade you, sir, to our personal point of view. But none of us has ever doubted that no matter what the day or what the issue, you have always made your decision based on deep personal conviction and with courage for what you believe to be in the best interest of Canada and, indeed, the best interest of the party, the Liberal Party of Canada of which you have been leader.

You are a House of Commons man through and through. You have achieved that rare distinction in politics where not only your colleagues in this caucus, but indeed your contemporaries on all sides of the House, acknowledge your commitment to the institution of Parliament.

Many men and women from every part of Canada have the privilege to serve in this place, but few of us, very few, ever come to symbolize the institution at its best. You are one of the few. In that sense, you, John Turner, will always remain an important part of this place.

Some hon. members: Hear, hear.

• (1430)

Mr. Tobin: Mr. Speaker, may I also report to you and my colleagues in all parties in the House, on behalf of the Liberal Party in Parliament, that we have unanimously endorsed the recommendation of our party leader that the member for Windsor West become, effective today, Leader of the Opposition.

Some hon. members: Hear, hear!

Mr. Tobin: I want to assure you, Mr. Speaker, and all colleagues that under the dynamic leadership of our colleague for Windsor West, we shall remain an effective and responsible opposition in the Parliament of Canada.

Mr. Speaker: The hon. Leader of the Opposition.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I think under the circumstances I could be permitted a minute or two to respond to the kind words of our caucus chairman and to join in the tribute to the right hon. member for Vancouver Quadra.

As I said outside the House earlier today, I heard the announcement of the right hon. member for Vancouver Quadra to our caucus this morning with mixed emotions. There was the feeling of sadness that we would no longer have his courageous and supportive leadership, we would no longer have his capacity for friendship, encouragement and support. At the same time, we know that we

are left with his example of courage, his example of integrity.

[*Translation*]

We will have the example of his dedication to Parliament, to our country, to Canada.

[*English*]

We are also heartened by the fact that he is remaining as member for Vancouver Quadra and, therefore, we will be able to call upon him to assist us in our work in this House, to show us by example how to participate effectively in the interests of Canada in the great debates in this House on the future of our country.

I said that I heard the right hon. member for Vancouver Quadra's announcement with mixed emotions. I mentioned my sadness and the sadness of my colleagues at his statement that he would no longer carry on as Leader of the Opposition. But I do have to say, particularly in response to the words of the chairman of our caucus, that I heard the words of the kind he has expressed today in our caucus this morning about me with extreme gratitude and honour.

For those of us who have feelings about Parliament, the concept of the Leader of the Opposition and his colleagues holding the government to account, providing an alternative, providing a voice for those Canadians who are dissatisfied with the government and demand a change, is something very important.

I want to say to all members of the House, and the country that I, for one, together with my colleagues, intend to do my best to see that the traditional duties of the Leader of the Opposition are carried out to the utmost.

[*Translation*]

It is very important for us in the Opposition, and for me, as Leader of the Opposition, to hold the government accountable to the Canadian people and to provide a voice for Canadians who are dissatisfied with this government and desire change.

[*English*]

It is a great honour to have the position of Leader of the Opposition, even for a limited period. That is why, as I have said, I am so gratified by the support of my colleagues. In this connection, I also want to say that I am gratified by the continued support of the people of my own community who have made it possible for me to be here as member for Windsor West and thereby to carry on this additional responsibility.

We have, in the opposition, in the Liberal Party in Parliament at this particular time a special responsibility, not just the traditional responsibility I have outlined of holding the government to account, providing an alternative and providing a voice for Canadians dissatisfied with the government, but also to provide a base so that, if I may be permitted to say so, the new leader of the party will be able to build on that base to bring into Parliament a new Liberal government.

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

Mr. Gray (Windsor West): In conclusion, I want to remind members of this House about what the Prime Minister just said about being in the arena of political combat, a combat which is ultimately in the best interests of this country. I once again thank my colleagues for their kind words, and I say to them—

[*Translation*]

It is time to get back to work. We have an important task to fulfil for the people of this country. Thank you.

[*English*]

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I will be brief and non-partisan.

It is a poignant moment when you reach the stage in your political career when you are saying good-bye more often than you are saying hello. We have certainly reached that stage. However, I want to say a few words about the right hon. Leader of the Opposition, a former Prime Minister and a former Minister of Finance of this country, as a son of British Columbia.

We all are Canadians and we are proud of that, but we are also proud of our regions. John Turner represented all Canadians all the time, but he also had that special flavour that we in British Columbia know about. He did us proud. He enabled us, regardless of party lines, to become friends. One of the happiest moments for me in politics is to reflect on the friendships that I have made over these 30 years, and one of the best friendships, I say

unashamedly, is with my colleague John Turner. Even though he is in the wrong party, he still is a good friend.

John Turner gave his word when we made deals or had conversations or arrangements, as are necessary in the various roles we have in politics. When he gave his word, that was it, and that was the hallmark of his service to this country. He was always loyal to his party, always loyal to his word, loyal to his country, but more important, always loyal to his family.

I am sorry to see him go. He has a few more months left. He represents a British Columbia seat, so he should come with us where he will have some company.

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, I am not going to trespass too much on the time of the House.

As the Deputy Prime Minister knows, on an earlier occasion, on May 3, we have been through this all before.

I do want to acknowledge the very generous, gracious words of the Prime Minister of Canada. I was particularly taken by his citation from Teddy Roosevelt. I do not attribute anything Freudian to that reference. I might say to the Prime Minister, the member for Yukon, and in his new responsibilities, the member for Windsor West, one of the remarks of Teddy Roosevelt which is useful to any party leader: "Speak with a soft voice, but carry a big stick".

• (1440)

May I say also to the member for Yukon and the member for Esquimalt how much I appreciated their generous words. The only reason the member for Esquimalt could not be more fulsome in his commentary about me is that he knows I have as much on him as he ever had on me.

I want to apologize to the member for Yukon, as does the new Leader of the Opposition, for our entry into the House at a time when her colleague, the member for New Westminster—Burnaby was speaking. We would certainly agree to her being able to redo her statement, because of the importance of the subject which she was addressing.

I thank the chairman of our caucus. It is the only time that I have ever seen him use a text. I will leave it to the House to decide whether that is an improvement or not.

I am proud to yield my place to the member for Windsor West. I don't know whether the story of my political life has succeeded, but to find oneself on the left of the member for Windsor West is a startling culmination of a career.

Some hon. members: Oh, oh!

Mr. Turner (Vancouver Quadra): The member for Winnipeg South Centre suggested that I still was not to his left, and I say enough is enough.

I commend to you and to the House my colleague and old friend, the member for Windsor West. We were elected at the same time, but he has served consecutively now for 29 years in this House of Commons. He is the dean of this place. He has enjoyed the confidence of the people of Windsor for almost 30 years. It is no accident that he has been elected time after time after time, as has the vice dean of the House, the member for Saint-Denis. It is because they are constituency members. They never forget that we are here because people put us here and we have a duty to respond on a daily basis.

[*Translation*]

Mr. Speaker, I would also like to mention the announcement by the new Leader of the Opposition that my colleague and old friend, the hon. member for Ottawa—Vanier (Mr. Gauthier), has been appointed the new House Leader for the Official Opposition. He is competent, he is a House of Commons man, and he represents his constituency with great skill and energy, and I am very happy with this appointment. Congratulations, Jean-Robert.

Some hon. members: Hear, hear.

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, it has been an honour to serve under your leadership of the House. You and I have been proud to have shared that unguarded frontier of 45th Avenue in Vancouver and our friendship goes back many years. I wish you well in your presidency of this Chamber. I can assure you that you enjoy the full confidence of our side of the House and that the new Leader of the Opposition shares my ultimate respect and confidence in you and in the Chair.

Since you and I have both shared a love of the outdoors, a love of the environment, and a love of the coastal waters of our province, I can only commend to

the members of the House a saying of the Haida people that: "We do not inherit this land from our ancestors, we borrow it from our children". That should be a motto for every member of this House of Commons.

Some hon. members: Hear, hear!

Mr. Speaker: I want to bring to the attention of the House the matter that was alluded to by our right hon. friend, that the hon. member for New Westminster—Burnaby was in the midst of making a statement. I think it may well have been impossible for hon. members to hear the statement. It is an important matter and I would ask the hon. member for New Westminster—Burnaby to present the statement again and completely.

* * *

VIOLENCE AGAINST WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I appreciate the indulgence and the co-operation of the House in order to remake a statement that I feel is on a very important issue for all Canadians.

Last night we saw another callous acceptance of violence against women. A woman was sexually assaulted at a busy intersection in Calgary. She was running down the street, naked, begging for help.

Brian Dorscht was the only person who responded to her screams. Other people simply shouted obscene remarks and encouragement to the attacker. A police officer brushed off this tragedy by saying: "Of course people will catcall when they see a naked woman." We must make educational programs for judges, police and the public a priority in this House, to fight violence against women.

We can remove the "honest belief" clause from the Criminal Code, which allows some men to get away with rape. We can remove the regulatory red tape that is keeping millions of dollars targeted for battered women centres and shelters from being used at all.

In the face of women being gunned down on our university campuses, in the face of women being assaulted in the streets and in their homes, and in the face of a three year old child being called sexually aggressive and blamed for her own assault, we must act now.

ORAL QUESTION PERIOD

[*English*]

OFFICIAL LANGUAGES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Prime Minister. I hope the Prime Minister would agree with me that there is an urgent need to express the sense of this House in support of language duality in Canada through a unanimous resolution.

The straightforward motion we have proposed was written to ensure the widest possible support, and reads as follows:

> That this House reaffirm its commitment to support, protect and promote linguistic duality in Canada.

Will the government agree now to allow this motion to be put to the House for unanimous consent?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have indicated that we look forward to debating this issue and supporting it before the House of Commons.

I had not been given prior knowledge of the resolution by the Leader of the Opposition a few days ago. When it was received, quite properly we looked at it, agreed with the general thrust of it, and submitted it for consideration with an amendment to the new house leader of the Liberal Party.

I was informed by our house leader that the house leader of the Liberal Party indicated that with one exception, one word changed, it could be accepted by the Liberal Party. We made that word change the following morning and sent it back for approval. I and my colleagues look forward to debating it fully here on the floor of the House of Commons.

• (1450)

I did not know this, but I have just been informed by the government house leader that there is a suggestion forthcoming from the leader of the NDP. If an agreement has been reached on the language, which is essentially the thrust of what my colleague is talking about, not only will we be here to discuss and debate, but also to support very strongly the concept of bilingualism in Canada which we view not only as a noble but a very enriching dimension of our national life.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I think that the Prime Minister misunderstood the intent and purpose of the words of the new house leader for the official opposition.

[*Translation*]

I am disappointed with the Prime Minister's answer and I must say that for us priority must be given to support for linguistic duality.

Why does the Prime Minister not want to give priority to supporting linguistic duality? Does he not agree that it is the top priority today and that his amendment is not necessary for his purposes?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are in full agreement with what my hon. friend is seeking to do. Normally, when all-party support is being sought for a resolution, I and the leader of the NDP are given prior knowledge of it so that we can consult with our caucuses and our people and report back. I was not given prior knowledge, information, or advice in respect to the resolution that was presented.

I did indicate, on hearing it for the first time, that I generally agreed with the thrust of the motion. I support what the Leader of the Opposition is seeking to do, but I did ask for a copy of the resolution so that I could consult with my colleagues and presumably the leader of the NDP.

When we submitted the text to the Leader of the Opposition's office, the then whip, now house leader, indicated on television, and I quote: "But I think generally speaking we can support the Conservative amendment if they will change the words 'as expressed' to read 'as reflected'". We then changed the word from "expressed" to "reflected", thereby meeting fully the request of the Liberal Party. With that we are prepared, and I am sure the NDP is prepared to debate the matter fully, and to vote upon it to reaffirm this very important dimension of our national life.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I am surprised at the remarks of the leader of the Government. The Prime Minister has suggested he had not received a copy of this resolution. I think it was read out in the House two days ago.

If the Prime Minister is now prepared to move a motion, will he confirm that it has been put down on the Order Paper and indicate exactly when he intends to call it for debate?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, not only will I confirm my intention to move a motion and set it down on the Order Paper this afternoon, I indicated that yesterday.

I would like to tell my hon. friend that my understanding of the customs in this House requires that when one is seeking all-party support for a resolution, prior notice is given to the Prime Minister and the leader of the NDP.

All I am saying is that in this case I had no notice of this whatsoever until the Leader of the Opposition stood up on Monday and indicated that this was his intention. I immediately said that I clearly agreed with the fundamental thrust of what he was saying. I asked for the document so that I could consult my colleagues. We submitted a small amendment which was then accepted by the member for Ottawa—Vanier, and I understand that the leader of the NDP quite properly asked for time to examine it herself and submit an amendment.

Here I have a motion I am going to table which will meet all the requirements of my hon. friend, and which will give members from all parties of the House an opportunity to deal directly with the worrying manifestations of intolerance that we see across the country, not just in Ontario, but elsewhere across the country.

I believe, as my hon. friend did, because he has defended this concept for 29 years since he entered this House of Commons. He has been fully consistent, that bilingualism and protection of minority language rights is a vital and noble concern of all members of the House of Commons. I would never do anything other than promote that and engage the responsibility for that debate. That is what we are going to do so that all members of the House have an opportunity to speak and to defend this concept and, if required, to vote on it. In that way Canadians will know that intolerance is unacceptable. Promotion of bilingualism and minority rights is exactly what this chamber and this country needs.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the best way to state a point sometimes is to put

it very simply. On Monday, we had put to the House or to the government a two-line motion. That is a fact.

An hon. member: In Question Period.

Mr. Gauthier: No, after Question Period.

[*Translation*]

The Prime Minister has said many times that the Meech Lake Constitutional Accord should not be linked to other provincial legislation. He repeated that many times in Canada, whether in connection with Bill 178 in Quebec or Bill 8 in Ontario, or in other places. He knows very well that the Meech Lake Accord does not mention promoting linguistic duality. Furthermore, the Prime Minister himself in this House refused the amendment proposed by this party. I ask the Prime Minister why he changed his mind. How is it that he now links the Meech Lake Accord to a resolution which is merely intended to support the country's official languages?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised at the hon. member's attitude. The hon. member for Ottawa—Vanier is a great defender of minority rights. I think the same is true of me as head of my party and Prime Minister of Canada. I simply say to the hon. member that last Monday, I received no prior notice as is normally the case when unanimous support of the leaders in the House is sought. I was given the text after hearing the Leader of the Opposition, after oral question period. I looked at it with my colleagues and we submitted it for consideration by the Liberal Party. The hon. member himself said on *Newsworld* the same evening and I quote:

[*English*]

"But I think, generally speaking, that we can support the Conservative amendment if they will change that one word as "expressed" to as "reflected".

[*Translation*]

The word was changed the next morning. We are submitting a document that allows for a completely normal debate and I have great difficulty understanding why the hon. member is hung up on procedural issues while we want to see it through in support of minority rights and linguistic duality in Canada.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I do not have to take any lessons in regard to official languages. I think I have stated my position in this House often enough for everyone to know where I stand on this issue.

The Prime Minister is quoted in the press on March 17, 1989, where it states: "Don't let Quebec language law destroy Meech Lake deal, Mulroney." The Prime Minister stated: "There is no connection between Meech Lake and the Quebec law."

I ask the Prime Minister, how can he this day mix up Canadians—the grass roots of Canada are asking for an expression of support on the linguistic duality of this country—by coming in with another constitutional amendment that has nothing to do with official languages in this country? How can he explain that to Canadians?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am surprised at my hon. friend. He indicated on television that he agreed with the document that he is now denouncing. Either he agreed with it or he did not. He clearly agreed on television with the document that he is now denouncing.

Mr. Gauthier: You amended my motion.

Mr. Mulroney: Yes, we amended your motion as we normally do and as we are entitled to do. We amended it not to diminish it at all, but to talk—

Mr. Gauthier: You neutralized it.

Mr. Mulroney: Mr. Speaker, we want to discuss official bilingualism, we want to discuss duality and we also want to discuss the Official Languages Act which has done more, according to the Commissioner of Official Languages, for the promotion of minorities than anything else. Surely this motion is very much in the national interest. If the member does not wish to proceed with his motion as amended, we will table our own motion and we will invite debate in this House which I believe will be fully consistent with every single one of the principles that my hon. friend has very appropriately defended over his long and distinguished career. He will be proud of the motion because he fought for every element in that motion.

GOODS AND SERVICES TAX

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is addressed to the Minister of Finance.

Tomorrow I will be meeting in Toronto with representatives of some 600,000 senior citizens across Canada. They do not like this new sales tax because they know that the goods and services tax is going to add to their cost of living.

The minister has said that 75 per cent of seniors will be better off after this tax, but I note that the groups to whom the finance minister is speaking are primarily business groups.

Will the minister join me tomorrow in Toronto to explain in person to senior citizens groups what this tax will mean for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the hon. member were not so interested in playing political games, she would have let me know about this meeting some time ago so I could have made plans to be there with her.

I say to her again, I have brochures here which I would like her to take to the representatives of the senior citizens organization and explain to those people what the GST applies to and what it does not apply to.

I would also like her to explain to them where she disagrees with the material that is in the technical paper which shows that under the GST, less the existing federal sales tax, a single senior citizen earning $25,000 will pay $220 more after the GST, before the application of the goods and services tax credit. There will be an improvement in their position with the ongoing indexing as a result of the GST of $81. Then there is the improvement of $278 as a result of the GST credit. That results in that person being $139 better off.

If my hon. friend disagrees with these numbers, let her come and tell me where she disagrees. This is the third time I have asked and I have yet to receive a reply. Until she comes clean and tells me where those numbers are wrong she should not go to Toronto and mislead those senior citizens.

Some hon. members: Hear, hear!

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I remind the Minister of Finance that those same senior citizens had asked for a meeting with him prior to the budget. I am having a meeting on Tuesday here in Ottawa with senior citizens representing Quebec and I should be happy to invite him formally.

The Minister of Finance ignores the point I made that there are growing lines of senior citizens, families and children at food banks across this country. Yet he proposes to spend $14.5 million to sell this tax, to tell Canadians that they need this tax. That is three times the amount of money spent on co-operative housing in Canada per year. If there were no GST, this government would not have to spend $14.3 million trying to sell it. It could get down to the business of providing essential food and housing for Canadians. Why does the Minister of Finance not just withdraw the tax now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, just to remind my hon. colleague, I have these booklets here if she wants to receive them, take them to Toronto and hand them out.

My hon. friend talks about people at food banks. She neglects to point out the tremendous progress that has been made over the last few years whereby there are three-quarters of a million fewer Canadians now living below the poverty line than in 1984. The poverty rate fell from almost 17 per cent to 13 per cent during that same period. The average family income has reached its highest level ever, after adjusting for inflation.

The low income rate for children under 16 fell from 20.1 per cent of the population to 15.4 per cent of the population in 1988. The number of adult women living below the poverty line fell by 30,000 last year, a total of 229,000 since 1984.

I do not deny there are problems. But the hon. member should look at the progress that has been made and talk positively about that progress and about how the GST credit will make 75 per cent of these senior citizens better off. That is how we are proceeding to help these people more than what we have done to date.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I wish to ask the Minister of Finance a supplementary question. The minister boasted yesterday that food banks would not be taxed. Is the minister prepared today to promise

that the next Budget will announce concrete new programs to help close down all food banks and not family farms?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think we have been progressing quite well, as those statistics have pointed out. We still have a way to go and one of the things that we are using is the GST credit. We have also through tax reform in 1988 taken 850,000 low income people off the tax rolls. These are two major initiatives on the tax side, income tax and sales tax, which are directly designed to help the people she is talking about. Surely she should acknowledge that. I would hope that tomorrow, when she is speaking to the people in Toronto, she will draw these very real pieces of evidence of progress to their attention.

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FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Prime Minister. The people of Canso feel humiliated and betrayed by this government after learning the details of the so-called plan to save the Canso fish plant, a plan that was dangled before them with so much fanfare on Friday. What galls them most is that the trawler port in Canso is to remain closed and the Canso fleet moved elsewhere. On December 13 the Prime Minister promised in this House to look into a suggestion that would require a company which closes a fish plant to keep the trawlers at the plant or not fish.

Has the Prime minister looked into this suggestion? Will he now order his Minister of Fisheries and Oceans to apply this requirement to Canso and keep the trawler boats fishing from that port?

• (1510)

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I am a little disappointed at the reaction of my colleague opposite to the situation in Canso in his constituency. What we had a week ago was a town with no hope and a fish plant that was slated to close. What we have now is a town with a fish plant that is going to stay open, employ at least 300 people and which has some hope for the future, thanks to a corporate decision by National Sea which has brought in a revised operational plan. I do not understand the attitude of my colleague opposite.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the minister should tell that to the people of Canso.

[*Translation*]

My supplementary question is still for the Prime Minister. He knows that the fish assigned to the big companies under the program of grants to business still belongs to Canadians and not to the companies themselves. The Minister of Fisheries and Oceans has the legislative right to attach conditions to these allocations. Will the Prime Minister finally assume his responsibilities and order his Minister of Fisheries and Oceans to ensure that the trawlers from Canso continue to use that port?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, as I understand it, what my hon colleague is asking the Prime Minister and this government to do is bring in an entirely new concept to fisheries, port quotas. This is something that could be studied, but it is not the way things are done in the fishing industry in this country, as he knows.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of hon. members the presence in the gallery of the Standing Orders Committee of Newfoundland and Labrador, led by their chairman, Mr. Jim Walsh, Member of the House of Assembly.

* * *

FISHERIES

Hon. William Rompkey (Labrador): Mr. Speaker, my question is also about National Sea Products. It is directed to the Prime Minister. National Sea is in St. John's today to offer what everybody, including the Premier, the Leader of the Opposition, and most important the plant workers, consider a shabby deal and a slick ploy. The anger of the plant workers in St. John's is symptomatic of a growing anger and a growing fear for the future among Atlantic Canadians.

As the Prime Minister of all Canadians, will he now intervene personally in a crisis that is growing? Will he intervene to make sure that Atlantic Canadians, in the worst crisis in our history, are treated with fairness and generosity?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. member's scorn for whatever is being proposed by National Sea in St. John's today is surely premature since at the present time National Sea officials are meeting with the Premier of Newfoundland and with representatives of the workers to discuss just what it is they are proposing.

It has been suggested in the press, and I think there is some validity to it, that they are prepared to start a new processing operation in their fish plant at St. John's which would not involve groundfish but another operation that would involve keeping some several hundred people employed on a permanent basis, not the full compliment of the plant at the moment.

The hon. gentleman knows that the problem is with the resource, that there is not sufficient fish for all these processing plants to process. National Sea is obviously making an attempt to do what it can for as many of the employees as it can. It would be premature to comment further until we know exactly what is proposed and until the workers know and take a balanced look at what has been suggested.

Hon. William Rompkey (Labrador): Mr. Speaker, it may be premature and there may not be enough fish, but there clearly is enough money.

On Monday the Deputy Prime Minister said that Canadian farmers had received $21 billion, I believe, from the government of Canada over five years. The fishermen of Atlantic Canada have received $130 million—no new money—after months of the worst crisis in our history. There may not be enough fish, but where is the aid package and where is the billion dollars that was promised to Atlantic fishermen and plant workers?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I do not know whether the hon. gentleman is quoting the Deputy Prime Minister accurately, but certainly there has been very considerable assistance for farmers from this government. There has been very considerable assistance for fishermen from this government, and there will be more.

When comparisons are being made as to what has been done for farmers as compared to fishermen, the hon. gentleman might remember that farmers are not eligible to receive unemployment insurance assistance, while fishermen are. Many hundreds of millions of dollars are being spent every year in assistance to fishermen through the unemployment insurance scheme and hundreds of millions more through the Department of Fisheries.

There will be whatever assistance is reasonably required to assist the Atlantic Canada fishing industry. The Prime Minister and this government will see it is received.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, what fishing communities throughout Atlantic Canada expected from National Sea Products and from this government was a life raft to help them while fish stocks were rebuilt. What they got instead was a slap in the face.

I want to ask this government what it intends to do to see to it that more than 150 out of 800 fishworkers in Canso are given some sort of future. Just 150 out of 800 is absolutely unacceptable.

Some hon. members: Hear, hear!

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, this comes from a member who during his leadership campaign advocated that ACOA be disposed of.

Some hon. members: Oh, oh!

Mr. MacKay: Some of these advocates from the New Democratic Party purport to stand for working people. The only way you would ever see a callous on their hands is if it was a transplant.

Some hon. members: Hear, hear!

Mr. MacKay: In terms of what this government has done for Canso and for fishermen, let me remind my hon. colleague that when the party opposite was in government, it spent an average of $185 million per year on regional development, period. Already this government has announced $130 million in fisheries aid alone and, as my colleague has said, it is only an initial response.

Some hon. members: Hear, hear!

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the fact of the matter is that New Democrats think there is no way that plants should simply be shut down unilaterally by a company without any worker or community negotiations.

Some hon. members: Hear, hear!

Mr. Langdon: I want to ask this government why it left the union out of these negotiations. I want to ask this government when it is going to give the workers of Atlantic Canada protection against high-handed decisions on the part of governments and on the part of companies that do not care about the communities of Atlantic Canada?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, obviously National Sea Products did care. They provided a revised operational plan that they inform me will keep not 150 people, but 300 people working.

Mr. Langdon: One hundred and fifty.

Mr. MacKay: Well, my hon. colleague says 150. I hear 300. In any event, we have an operational plant now, which is more than we had last week.

Some hon. members: Hear, hear!

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance.

Mr. Speaker, John Bulloch, president of the Canadian Federation of Independent Business, told the Finance Committee, and I quote:

> (The measures proposed to assist small business with implementing the tax)—such items as—documentation requirements, and incentives to purchase electronic equipment—do not begin to offset the actual costs that will be imposed on small firms by the two-tiered nightmare of the proposed GST.

My question is very simple, Mr. Speaker: Has the Minister of Finance considered the additional accounting costs for small business in his GST booklet, where he says that there are advantages for small business?

• (1520)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the brochure we put out is comprehensive. It answers many of the questions that have been put to us by the small business community in a reasonably detailed way, but not so detailed that it takes them a long time to get through. It is something that is very helpful to them in understanding the impact of the GST, how it can help them with their pricing, with their compliance, with their record keeping, and how it helps their cash flow. It gives them a quick overview of the goods and services tax to help them in discussing the matter further as far as their accountants and others are concerned.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, Ms. Catherine Swift, Vice-President of the Canadian Federation of Independent Business, told the Finance Committee, and I quote:

> So anyone who thinks this is a boon for small businesses does not really know the operation of small businesses—

My question is simple: Why doesn't the Minister of Finance listen to the Canadian Federation of Independent Business and throw out this tax, instead of trying to sell Canadians the nightmare of the century?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me quote Mr. John Bulloch, the president of the Canadian Federation of Independent Business on September 19, again before the finance committee. He said: "Everybody out there would like to have an alternative to a multi-stage tax", a multi-stage tax being a GST. He goes on to say: "The damn trouble is that one is not out there."

It is very clear from the response of the Liberal Party of Canada that one is not out there because we have not heard of any alternative approach from the Liberal Party of Canada. That is why we feel we must proceed with this.

There are numerous people who time and time again have been telling us of the importance of changing from the federal sales tax that is in place today. It is a hidden burden on our exports. It taxes imports one-third less than Canadian products. It is a burden on new investment, investment that will create a more productive and competitive manufacturing industry, more competitive

forest products industry and mining industry, and the agricultural side as well. All of our exporting industries are helped by this. This is why we must proceed on this and that is why this government is bound to do so.

Mr. Douglas Young (Gloucester): Mr. Speaker, I listened with interest to the answer of the Minister of Finance quoting Mr. Bulloch, president of the Canadian Federation of Independent Business. On Monday the minister stated, as reported at page 7892 of *Hansard*, February 6:

> My hon. friend talks about the Canadian Federation of Independent Business. I have letters from members of the CFIB who have listened to the rhetoric of their president—

My question to the Minister of Finance is fairly straightforward. If he does not believe that the president of the Canadian Federation of Independent Business disagrees with this goods and services tax, is he prepared to sit down at a round table with representatives like Mrs. Swift and Mr. Bulloch who represent small business in this country and try to explain to them why he thinks this tax is so good when they think it is a nightmare on Main Street.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have met with Mr. Bulloch on many occasions. We have a difference of opinion on certain aspects of the goods and services tax. The one thing we do agree on which Mr. Bulloch stated in the quote that I just read out is that there is not a better alternative. My hon. friend knows there is not a better alternative. My hon. friend knows that we must change from the manufacturers' sales tax. He said that himself on August 8 last year.

We are proceeding with change. We do not have the luxury as the opposition does of simply opposing and criticizing. We have to get on with making policy for the Government of Canada and we are going to do that. The goods and services tax is our best approach to changing the manufacturers' sales tax and replacing it with something that is much better, and we are going to go ahead and do that.

Mr. Douglas Young (Gloucester): Mr. Speaker, the minister is very interested in alternatives. I want to present an alternative to him. With respect to the $14 million he is going to be spending on informing Canadians about the goods and services tax—

Mr. Clark (Yellowhead): This is the alternative?

Mr. Young (Gloucester): This is an alternative to spending $14 million.

I wonder if the Minister of Finance would organize the members of Parliament who sit to your right, Mr. Speaker, the Conservative members of Parliament, all of whom are well paid and who enjoy the capacity to be able to travel—

Mr. Mulroney: What about you?

Mr. Young (Gloucester): I am too, certainly. They have the capacity to travel across the country. Instead of spending $14 million on pamphlets, why does the Minister of Finance not ask his colleagues to fan out across the country and explain to Canadians what the goods and services tax is all about?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think it passed your attention that the hon. member did not come up with an alternative to the goods and services tax. He does not have one.

He is encouraging hon. members on this side of the House to get out and talk to as many Canadians as possible about the GST. We are doing that. We have been and we will continue to do that, because on this side of the House we are committed to this. We understand that this is the best way to go, replacing a bad tax with a tax that is the right tax. I have any number of quotes from people who say that we must make a change from this tax. We are going to go ahead and do that because we know we must do that.

Members opposite have said from time time: "Why can we not have a more competitive country?" This is one of the ways that we can build a more competitive economy.

* * *

COURT CHALLENGES PROGRAM

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Secretary of State.

In early December, the Standing Committee on Human Rights strongly and unanimously recommended extension of the Court Challenges Program. The committee said that access to the courts is integral to the effective implementation of constitutional rights.

Yesterday every employee of the Court Challenges Program received a lay-off notice telling them the program is shutting down on March 31 of this year. Will the minister immediately allocate a short term increase

in funds, which was recommended by the committee, to take effect at the end of December of last year? More important, will the government now accept the unanimous recommendation of the standing committee and renew this program which is so vital, so important for the equality of all Canadians?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, the standing committee brought forward some very good recommendations which the Minister of Justice and ourselves have been examining very carefully and giving very proper consideration.

I will say that the letter that was sent out by the Canadian Council on Social Development under the signature of Mr. Hunsley I find to be very unhelpful and very unacceptable. It is ill-timed and ill-advised. We are giving very active consideration to the program, and that is a positive signal. At the appropriate time when I have had a chance to receive the required approval of my colleagues in government, we will be making an announcement on the program.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, Mr. Hunsley did not have much choice. The government is not funding the program. It is being shut down and the employees are all being laid off. That is a lack of leadership by this minister.

[*Translation*]

Mr. Speaker, my supplementary is directed to the Prime Minister. Since 1978, the Court Challenges Program has been in place to help official language minorities clarify and defend their language rights before the courts. Considering the existing tensions around the issue of language minorities in Canada, I would ask the Prime Minister, who has defended the rights of language minorities in Canada in the past, why he has yet to announce an extension for a program that is so important to Canada?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am certainly well aware of this dimension. I realize the program was very effective, but, as I said quite clearly, we examined the recommendations of the Standing Committee, a number of which did agree the program has been very effective. I have already had a chance to discuss the matter with my colleague, the Minister of Justice, and as I said before, this whole issue is now being examined very carefully by the government, and an announcement on the subject is expected very shortly.

* * *

• (1530)

[*English*]

ROYAL CANADIAN MOUNTED POLICE

Mr. Bob Horner (Mississauga West): Mr. Speaker, my question is directed to the Solicitor General. It concerns the wearing of turbans by Sikhs in the RCMP.

My question is very simple. When will this decision be made, and is the Solicitor General willing to give us his decision today?

[*Translation*]

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, like many Canadians, I am also concerned about this question. I already mentioned that I met groups from the Sikh community last week. I will also be meeting other groups, probably next week. In fact, we are in the process of deciding exactly when we are to meet during the next two weeks. Initially, I thought people should have some time to try and reach a compromise agreeable to both parties. However, no compromise was it seems that has been possible. I will nevertheless continue consultations for a few weeks more, and the government should be making a decision in a matter of weeks, as soon as we have finished our round of consultations.

* * *

[*English*]

COURT CHALLENGES PROGRAM

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Secretary of State and again refers to the Court Challenges Program.

The Court Challenges Program currently heads a schedule of cases going before the court. The firing by the Canadian Council on Social Development of the staff has created a lot of ambiguity in that program and has fractured the administration.

Can the Secretary of State not tell us today that he will continue the funding of this important program to the year 2000 as recommended by the members of the Standing Committee on Human Rights?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, as I indicated in the previous answer, what the executive director of the CCSD has done is totally inappropriate. He does not report to me. It is an arm's length organization that has been administering this program. In general we have been very pleased with the service, but we found this to be very unhelpful.

We are currently examining very carefully the entire proposition. I have indicated that I am very pleased by what I have seen in terms of what the program has been able to do. The Minister of Justice and myself and our two departments have been carefully examining some very good suggestions that have been made by the standing committee.

I made sure that my undersecretary called the Canadian Council and gave it whatever feeling we could. At an appropriate time, when I have received the consent of my colleagues, we will be making an announcement on the program.

Mrs. Christine Stewart (Northumberland): My supplementary question, Mr. Speaker, is for the same minister, the Secretary of State.

The problem is that the staff of this program has been cut. The program is cut. The Canadian Council on Social Development does work at arm's length from the government, but since it has cut the staffing and virtually the program, could the Secretary of State not overrule yesterday's firing of the staff and show a commitment to this program by continuing it and announcing that today?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I was given no notice prior to this letter having been sent out. It was never communicated to us.

I indicated that I found it very unhelpful and very unacceptable. I asked that the Undersecretary of State make the immediate call and, as I have said, we have given what I felt was a very, very positive feeling about the program and the direction we feel the government may be prepared to take.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

TABLING OF MOTION

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, the following motion under the name of the Prime Minister:

That this House reaffirm its commitment to support, protect and promote linguistic duality in Canada as reflected by this House in the Constitutional Amendment, 1987 and the Official Languages Act, 1988.

* * *

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): As well, Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

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

Mr. Lewis: And while I am on my feet, I move:

That the House do now proceed to Orders of the Day.

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

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(Division No. 187)

YEAS

Members

Andre	Atkinson
Attewell	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bourgault	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Clifford	Collins
Cook	Corbett
Crosbie (St. John's West)	Crosby (Halifax West)
Darling	DeBlois
de Cotret	Della Noce
Dick	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Fee
Feltham	Ferland
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques
James	Jelinek
Johnson	Joncas
Kempling	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
MacDougall (Timiskaming)	Malone
Marin	Mayer
Mazankowski	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Monteith	Nicholson
Nowlan	Oberle
O'Kurley	Plourde
Porter	Pronovost
Redway	Reid
Richardson	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Soetens
Sparrow	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van de Walle	Venne
Vézina	Vien
Vincent	Weiner
Wenman	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—126	Wilson (Etobicoke Centre)

NAYS

Members

Allmand	Anawak
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Barrett	Bélair
Bellemare	Bevilacqua
Black	Blackburn (Brant)
Caccia	Callbeck
Catterall	Crawford
Ferguson	Finestone
Flis	Fontana
Foster	Fulton
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvey (Edmonton East)
Hopkins	Hovdebo
Hunter	Jordan
Kaplan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
Lee	MacAulay
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McGuire	Mifflin
Milliken	Nault
Nystrom	Pagtakhan
Parent	Parker
Peterson	Pickard
Proud	Prud'homme
Riis	Robichaud
Rocheleau	Rodriguez
Rompkey	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Vanclief	Walker
Whittaker	Wood
Young (Gloucester)—81	

Mr. Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved:

That debate on the motion for second reading and reference to the Standing Committee on Finance of Bill C-62 and on any amendments proposed thereto shall not be further adjourned.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise on a point of order as I indicated in the House yesterday that I would.

I wish to present for your consideration some serious difficulties which we on this side of the House are experiencing with this use of closure. I would like you to consider four issues surrounding the closure motion which the government has now put.

• (1620)

First, I will ask you to consider whether or not there is a responsibility of the Chair to ensure that, in your own words:

> —controversial issues be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con.

Second, I will ask that you examine whether or not the current use of closure, again in your words:

> —is being used for a purpose never originally intended.

Third, I will ask you to review whether or not Standing Order 57 is consistent with Section 18 of the Constitution Act, 1867, which requires that privileges, immunities and powers to be held by the House and members must be defined by an act of Parliament.

Fourth, Mr. Speaker, I will ask for your views on whether the current frequent use of closure is inconsistent with that same section of our Constitution insofar as it exceeds those held by the British House at this time.

On the first question, I submit that the time has come for the Chair to intervene to protect the House and our parliamentary democracy from abusive use of the rules by this government.

I would like to cite some of the advice you gave this House on April 14, 1987, regarding Bill C–22, amendments to the Patent Act. You intervened, Mr. Speaker, as you will recall, and reversed a previous decision in order to protect the House from what was held to be unreasonable obstruction. In doing so, you made several observations which I submit are more than pertinent today.

You spoke to us about the role of procedural rules and the spirit of their adoption. You said:

> Rules of procedure—are designed to allow the full expression of views on both sides of an issue. They provide the Opposition with a means to delay a decision. They also provide the majority with a means of limiting debate in order to arrive at a decision. This is the kind of balance essential to the procedure of a democratic assembly. Our rules were certainly never designed to permit the total frustration of one side or the other.

You warned us of the abuse of procedural rule, when you said:

> Notice of time allocation motions after only a few hours of debate at any stage of a Bill can also be an abuse. When such tactics are entered on by either Government or Opposition, the balance of democratic parliamentary government can be easily upset. The maintenance of that balance is a fundamental responsibility of the Speaker.

You spoke of the need to look beyond the text of the rules by saying:

> I believe that the resolution of these inevitable and legitimate disputes should be on the basis of our traditions, our rules, our precedents, and something else as well. By this, I mean what is essential to this House of Commons, that is, that well accepted but not always definable thing upon which our whole constitutional history is based. It is fair play and—common sense. It is, when all is said and done, the profound sense of what is appropriate under certain circumstances and which is acceptable to reasonable people.

I think if you review the debate which has taken place to date on Bill C–62, the changes to the Income Tax Act and so on that will implement the goods and services tax, Mr. Speaker, you will see that it is not the opposition which has used the rules to delay debate, as you put it, "to enable opponents of a measure to enlist public support for their point of view". Rather, it has been the government which has moved repeated dilatory motions during the passage of Bill C–62.

On four of the five days that Bill C–62 has been before the House, the government has moved dilatory motions. Only twice in that time have members of the New Democratic Party moved a dilatory motion, in this case, that the House do now adjourn. We have done so not to abuse procedural rules, but because the success of such a motion, that is for the House to adjourn, would result in the defeat of the bill to which we are wholeheartedly opposed. If once the rules existed to give the opposition the means to delay a decision, I think all members of the House will realize that this is no longer the case.

As you know, Mr. Speaker, in other parliaments, the Speaker has the right to refuse to allow a closure motion to be put to the floor. In Britain, such a motion has to receive the support of at least 100 members. If you permit it, I will return to that consideration in a moment.

In Canada, however, we have no protection from vindictive or totalitarian uses of closure. I ask you to consider whether the time has not come, as it did in April of 1987, for the Chair to intervene to ensure that the balance of democracy is not tipped over. In deciding the above, Mr. Speaker, I would ask you to consider my

second request, which is to review whether the current use of closure is in the scope and spirit with which Standing Order 57 was originally drafted.

Our business as parliamentarians, our trade if you like, is the drafting of legislation. No one knows more than the members of the House, like yourself, how important it is that the spirit of the law be given supremacy over its technical wording.

When the House adopted the closure procedure back in 1913 it did so in extreme and unusual circumstances. With rare exceptions, from 1913 to the present, closure was used only after prolonged debate and after the House had been given the opportunity to thoroughly review the issue before the House. The closure procedure was adopted as a safeguard for those rare occasions when negotiations had broken down between the parties. Today it appears to be used instead of negotiations.

In the past five sitting months the government has given notice of closure on 11 occasions. It has done so on highly controversial bills, like the bill before us. It has done so on routine bills, like C-20, the Excise Tax Act. And it has actually threatened closure on bills that had all-party support. I refer to Bill C-18, the multiculturalism bill.

I submit that no longer is closure being used to protect the government from complete legislative paralysis at all. Surely, the government's agenda is not paralysed in this House at this time or it would not have moved—I agree with our consent—to have the House take an additional nine weeks off. It might even have agreed to the suggestion of the New Democratic Party and, I believe, the Liberal Party that the House reconvene early last January. Obviously, the House is not experiencing a state of parliamentary or legislative paralysis.

I ask you to consider these comments and return to us with your comments on the appropriateness of the current use of closure in this House as it is being practised by this government.

I want to move on to my third request, which is slightly more complex. Indeed there may be another authority before which this argument should be presented. It concerns the constitutionality of Standing Order 57, especially its consistency with Section 18 of the Constitution Act, 1867. This section provides as follows:

> The privileges, immunities, and powers to be held, enjoyed and exercised by the Senate and by the House of Commons, and by the Members thereof respectively, shall be such as are from time to time defined by Act of the Parliament of Canada, but so that any Act of the Parliament of Canada defining such privileges, immunities, and powers shall not confer any privileges, immunities, or powers exceeding those at the passing of such Act held, enjoyed and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland, and by the Members thereof.

In that particular section of the Constitution Act, 1867, I believe lies a fundamental difficulty which we must address now, before we continue.

When this section was drafted, almost 125 years ago, closure did not exist, in either Canada or the United Kingdom. Surely, unrestricted debate in the House must be viewed as one of the privileges enjoyed by members of the Canadian House until 1913. Parliamentary privilege embraces, among other things, the freedom of speech for parliamentarians in connection with our parliamentary duties. It is designed to prevent members from being obstructed, molested or intimidated by the discharge of our duties. The rights of members of Parliament to debate matters is fundamental to our system of government and any restrictions or limitations that are placed on these, such as the use of closure, would seem to be breach of privilege.

In that context, closure must be seen to be an extension of the powers of the House itself to adopt motions which impede the privileges of its members. The adoption of closure, I would argue, amended both the privileges of members and the powers of the House of Commons. Yet Section 18 of the Constitution requires that changes to privileges and powers be made only by statute. I repeat, Mr. Speaker, "only by statute". Closure in Canada was introduced by means of amendments to Standing Orders. No legislative changes have ever been made.

As a general rule, the House governs itself by modifications to Standing Orders rather than by enacting legislation. This may be acceptable in the absence of any requirement to the contrary, but Section 18 of our Constitution clearly directs the House to use legislation in such cases.

• (1630)

In fact, Section 4 of the Parliament of Canada Act repeats the wording of Section 18 of the Constitution Act. Therefore, Mr. Speaker, I ask you to consider whether the House has the constitutional authority to adopt a closure motion at this point.

My fourth and final point picks up on the second condition which Section 18 places on the privileges, immunities and powers of the House. That condition is that any change must not go beyond the powers held by the British House. Some of us might have personal concerns about that limitation, but nevertheless it is there in our Constitution.

As I previously submitted, closure can be viewed as both an infringement of a member's privileges and an extension of the powers of the House. In Britain closure is much less an infringement on a member's privileges and much less an extension of the powers of the House. There are a variety of factors found in Westminster that are not found here in Canada, factors which make closure somewhat less abusive in England and less an infringement on a member's privileges than in Canada where such mitigating circumstances are simply not found.

For example, in the United Kingdom any member can rise and ask the Speaker to accept the motion that the question be now put. At this point the Speaker has the discretion to allow or disallow that motion. If the Speaker feels that the debate has continued for an appropriate length of time and that the rights of the minority are not being trampled on, the Speaker then allows the closure motion to be put without debate to a vote. A simple majority is not sufficient to pass the closure motion. At least 100 members have to vote in favour of it. With closure passed, the House then immediately votes on the main question.

In Canada we are aware that only a minister of the Crown may move closure. The Speaker is not in a position to disallow the motion, and a simple majority is sufficient to pass a closure motion.

In Britain, closure is used by all sides of the House. It is not the sole domain of the government. Closure is a heavy legislative stick. In Britain, all members are provided with this important artillery.

Nor does the use of closure in Britain impede a member's right and ability to debate a bill. I think this is a very critical point. At Westminster, imposing closure at second reading of a bill does not terminate debate, it simply moves the debate from the main chamber to the committee room where it can continue for some considerable period.

For example, in Britain, standing committees which study legislation operate essentially as a mini-Parliament. Members stand to speak and deliver speeches virtually identical to those given in the chamber at second reading. Thus, whereas in Canada, closure at second reading denies members the right to speak on the principle of the bill, in Britain this is not the case. We in this party oppose the principle of this bill.

Some hon. members: Hear, hear!

Mr. Riis: If more time was available I could go into other mitigating factors which make closure in Britain much less an infringement on member's rights and much less an abuse of majority power.

Mr. Speaker, I will close now by simply asking you to consider the points I have made in making your decision whether or not you want to permit the government to proceed with the motion to impose closure before these questions are in fact settled.

I would also like to take this opportunity to serve notice at this time that should the House not volunteer to examine the constitutionality of its own Standing Orders, I would be pleased to submit this entire issue to the appropriate court.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in rising to comment on the point of order raised by the hon. member for Kamloops, I want to say that I am delighted that he has taken up this cause. I think the arguments he has advanced to Your Honour are most worthwhile.

It is refreshing to see a change of heart on the part of the House leader for the New Democratic Party, the hon. member for Kamloops. I know the difficulty he and his party have been labouring under since January 24, when they began to prevent us in the opposition from speaking in the debate on this matter, which we of course have been quite concerned about.

Mr. Skelly (Comox—Alberni): You support the GST.

Mr. Milliken: The hon. member says that we support the GST. I think the hon. member knows that we have

been opposing the GST since last summer. It was this party, I do not want to stray from the topic, Mr. Speaker—

Mr. Speaker: The hon. member for Kingston and the Islands, who certainly has on many occasions been of great assistance to the Chair, suggested that he did not want to stray too far from the point of order raised by the hon. member for Kamloops. I would ask him to be admonished by his own advice.

Mr. Milliken: Certainly, Your Honour. I am distracted by the catcalls from my left.

I want to say that in our opposition to this bill we have sought to debate the measure in this House so that we can explain to the people of Canada the shortcomings of the government's proposal. We have sought to do that on repeated occasions and have been frustrated in our attempts to do so.

I think if Your Honour checks the record he will find that there have been a total of seven hours and 30 minutes of debate on this bill—

Some hon. members: Order!

Mr. Milliken: Mr. Speaker, hon. members beside me are—

Mr. Speaker: The hon. member was referring to the number of hours of debate which have taken place on the bill. The hon. member for Kamloops referred to the same matter. I will hear the hon. member.

Mr. Milliken: As I was saying, the debate on this bill has been severely curtailed during the last two weeks. I believe it was first called for debate a week ago Monday for three days, and then we had two supply days. It was then debated for two days this week.

I want to point out the efforts that we on the Liberal side have made to extend the debate on this bill in order to have an opportunity to present our views and criticisms to the Canadian public. This is a debating chamber. This place is established for the purpose of free discussion and debate. We believe in that principle. We have actively supported it on every occasion.

In dealing with the question of closure I think it is a restriction on that freedom of debate. It is a restriction on our rights as members to discuss issues of importance to Canadians in this chamber. Those are not the only restrictions.

I want to refer to *Hansard* of Monday, February 5, at page 7859, where the hon. member for Gloucester had the floor. He moved that the House continue to sit beyond the normal hour of adjournment for the purpose of continuing consideration of Bill C–62 because there had been so little debate on the bill that day. Fifteen members objected. They were government members.

Yesterday, questions were raised in Question Period by the Leader of the Opposition to the government House leader about the possibility of extending debate last evening for the purpose of discussing this bill. At three o'clock, after indicating his willingness to do this during Question Period, the government House leader, I may say generously, rose in his place and offered the consent of the government to continue to sit. I thought it was an offer made in good faith and that he would allow debate to proceed to midnight last night. Guess who objected? The people who are now objecting to closure on my left, as well as the leader of the New Democratic Party.

Then, if that was not enough, just before six o'clock last evening I rose in the House and asked for unanimous consent to continue to sit until midnight. There wasn't a single New Democrat in the House to object, but some of the Conservatives objected—some of the supporters of the Minister of Justice, and he was the one who offered this earlier in the day.

The things that are going on in respect of the debates in this House and the use of closure strike me as absolutely amazing. At least in this party our approach and criticism of the government for its use of closure have been consistent and not marked with the inconsistency and unwillingness to debate that has marked the approach of the hon. member for Kamloops. I regret that, but I do support his arguments.

I want to point out some of the other salient facts relating to this particular debate which I think Your Honour should bear in mind in rendering your ruling.

With respect to the debate on this bill that has taken place so far, I have indicated there were approximately seven and a half hours of debate. During the course of that time, on my quick count, there were four adjournment motions moved. There were eight or nine questions of privilege or points of order raised, measures which I think were of questionable value. There were seven motions made by the government to proceed to Orders of the Day, each of which involved a 30-minute bell, followed by a vote in the House. There were four adjournment motions, as I indicated, and another motion

that a member be now heard, all of which required votes and all of which took up time in the House.

There has not been a fair time for members in this House to express their views on this bill. We in this party in particular have indicated a willingness—indeed a great interest—in debating this bill so that we can point out to Canadians the faults of this legislation and that it is not right.

What is happening here is that for the eleventh time in this Parliament the Minister of Justice is proceeding to bring in closure on a bill at one of the stages. Not only is it the eleventh closure motion, there have been three uses of time allocation orders on two stages at once of various bills. This will be the fourteenth time, assuming the government votes this through as its supporters tend to do, that debate has been curtailed in this Parliament. No other Parliament in Canadian history has ever been subjected to this kind of arrogant abuse by the government.

• (1640)

I say to you, Mr. Speaker, the closure rule, as my hon. friend from Kamloops has indicated, was not designed for government abuse of the House of Commons. The closure rule was designed to bring an orderly end to protracted debate.

I further state that this closure rule has been used on repeated occasions, on some of the occasions in the 11 that I have mentioned on the second day of debate. In fact on a great number of them it has been used on the second day of debate. Closure notice has been given on day one and applied on day two.

I say that the continuous abuse of this rule constitutes an abuse of the traditions of this House as outlined by the hon. member for Kamloops. I invite Your Honour to so find and rule this motion out of order.

Mr. Speaker: The hon. Minister of Justice.

Ms. Langan: Mr. Speaker, I rise on a point of order.

The speaker before me in outlining his version of what took place yesterday indicated that when he asked for unanimous consent to have the debate continue there was not one New Democrat in this House when the government member refused to give unanimous consent.

I happen to have been in this House, along with a number of my New Democrat colleagues. I would like to make it clear to him that that was the case.

Mr. Speaker: I want to respond to the hon. member. It is probably not a point of order. There is a general tradition that under some circumstances the Chair will allow a member to make an intervention.

However, I want to make it very clear that her alleged point of order, and perhaps a complaint, is not a point of order and does not assist me very much with the very careful arguments put by the hon. member for Kamloops.

The Minister of Justice has the floor.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, for a few minutes I want to review the issue, as we see it, from the government's side and respond to my hon. friends' arguments.

We see this issue as a question of the rights of the government to govern and the opposition to oppose within the context of debate. I want to make some references to points that are in the records in order to support my argument.

First, I wish to refer to Beauchesne's fifth edition where it reviews the issue and responsibility of a parliamentary government. Citation 1, which is right at the start, puts it this way:

> 1. The principles that lie at the basis of English parliamentary law, have always been kept steadily in view by the Canadian Parliament; these are: To protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every Member to express his opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.

Mr. Speaker, I would point out to you that we are not acting on the basis of sudden impulse when we move the goods and services tax bill. This initiative has come after five years of ample and full debate.

Bill C-62 has not been foisted upon Parliament suddenly. The issue has been the subject of technical papers,

budgets, opposition days, discussion papers, draft legislation, committee hearings and Question Period.

I think the citation is clear. We are not moving on any legislative action taken upon sudden impulse. We are moving after a great deal of consideration.

Because it is at issue politically when one gets outside the walls of this House whether or not there is a basis for moving closure, I want to review for the record not only debate but delay over the past few days.

The issue was brought forward by a notice of Ways and Means tabled in the House on Monday, January 22. The Ways and Means motion was concurred in on January 23.

On January 24, prior to the introduction of the GST, the House leader of the New Democratic Party raised a point of order on the scope of the Ways and Means and Ways and Means reference to documents not tabled in the House asking that the introduction of the bill await the Speaker's ruling. The Speaker declined and agreed not to let the goods and services tax bill go to second reading until he had ruled.

The bill was introduced and read the first time with two votes. This was on a New Democratic Party allotted day. It required two votes to get it introduced.

Then, what did members of the New Democratic Party do to their own opposition day? They forced votes on the introduction of two private members' bills calling for three votes altogether.

On Thursday, January 25, the government on that day was forced to move to Orders of the Day to avoid a filibuster.

On Friday, January 26, we called other business awaiting the Speaker's ruling. The members of the NDP filibustered Government Orders. They did it this way. This is the time of the taxpayers and the time of the House.

There was one vote on concurrence in a committee report, and another vote on a motion that another member be heard. There was another recorded vote to move to Orders of the Day. Then there was a motion that the House do now adjourn. That is delay—

Mr. Speaker: I wonder if the hon. minister could assist the Chair.

Speaker's Ruling

The Chair is extremely aware of the facts which the hon. Minister of Justice is relating. We have a careful argument put before the Chair. If it would suit the hon. minister, I want to deal with it now. I propose to let the House recess for five minutes while I consider the argument put to me by the hon. member for Kamloops.

SITTING SUSPENDED

The sitting of the House was suspended at 4.47 p.m.

SITTING RESUMED

The House resumed at 4.57 p.m.

SPEAKER'S RULING

Mr. Speaker: The hon. member for Kamloops has raised a point of order in which he says it would be improper to accept the government's motion for closure. He makes four points in this argument.

First, to paraphrase his own effective use of language and his own eloquence—and I do not mean to do a disservice to him by boiling it down into one point—his first point really is that under all the circumstances it is not fair that debate be curtailed.

He makes reference to comments that I made at another time, pointing out that in this Chamber there are many methods used by both sides in a dispute to make their point. With respect to that ruling, nothing that I say today should be considered to be any detraction from it.

Second, the hon. member for Kamloops argued that the government ought not to be moving closure at this time. He also argued that closure was being used for a purpose for which it was never really intended and that the effect of this is to limit freedom of speech in the chamber.

Third, he argued that closure contravenes the Constitution of the country.

Last, and I think I have it straight, he argued that the use of closure here is inconsistent with the practice in the United Kingdom House. He refers to constitutional sections which indicate that the rights of members here ought not be any the less than the rights of members under the Constitution of the United Kingdom. I am going to deal with each of these. Before I do, I want to say that the hon. member for Kamloops presented his

arguments extremely clearly and with a certain compelling significance. I will deal with the first point.

• (1700)

The question of whether it is fair is a very subjective one. I have to point out that the rules of the House make it very clear that what the government is moving is within the rules of the House. I am bound by the rules of the House and I must make my decision on the question of whether or not the motion by the government is procedurally acceptable.

With respect to procedure, I have to say that it is acceptable. But the question was a purpose for which it was never intended and to counter members' freedom of speech. Even if that were so, I am not going to comment yea or nay on that because that is a philosophic and procedural debate that ought to take place perhaps in some other place. However, I do want to draw to the attention of hon. members the distinction between freedom of speech and continued debate. There is a distinction.

The rule which binds us with respect to allocation of time and closure does limit debate at certain stages of the process of a bill through this place, but it is probably too far to say that it contravenes freedom of speech in the House. I do want to point out that even if the hon. minister's motion is accepted by this House then there is an extensive debate later on today and tonight, there is then committee, there are other ways in which this matter can be raised in the House on a daily basis. Then the bill has to come back again to this House where there is further debate.

The hon. member makes a very interesting argument. I am not prepared again to rule on it because if I did I would be straying into an area in which I am not allowed to go. He states that our rule in the House contravenes our Constitution. That may or may not be, but the authorities for many, many years back make it quite clear that I cannot rule on a legal or a constitutional issue.

Lastly, I will deal with the argument that it is inconsistent with the United Kingdom, the use of closure here. It may be, but in the United Kingdom there is a specific rule which attaches to the Speaker a very clear discretion as to whether or not a motion of closure ought to be entertained under all the circumstances. There is no such rule in this House.

Therefore, having listened very carefully to the hon. member for Kamloops, the hon. member for Kingston and the Islands, and because no Speaker is immune to what is going on in this Chamber, having listened to representations as to what has been taking place over a number of days and without making any judgment on that, I have taken it into account. I hope the hon. Minister of Justice will not be offended that I felt that it was not necessary to recite all of what had taken place. Looking at all of the circumstances and coming back again to the essential thing that I have to decide, and that is whether or not the motion is procedurally sound, I must rule that it is.

In ruling that it is, I am not in any way taking away from the cogency of arguments the hon. member for Kamloops put up with respect to constitutional and other matters. They may well be matters which the House may wish to pursue. It may well be that the House would wish to look again at the rules, but that is a matter for another day.

Therefore, my ruling is that the motion is in order.

MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Mr. Speaker: I will put the motion:

That debate on the motion for second reading and reference to the Standing Committee on Finance of Bill C–62 and on any amendments proposed thereto shall not be further adjourned.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 188*)

YEAS

Members

Andre	Atkinson
Attewell	Belsher
Bertrand	Bird

Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bourgault	Boyer
Cadieux	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Clark (Yellowhead)	Clifford
Collins	Cook
Corbett	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Duplessis
Edwards	Epp
Fee	Feltham
Fretz	Friesen
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques
James	Jelinek
Johnson	Joncas
Kempling	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
Marin	Martin (Lincoln)
Mayer	Mazankowski
McCreath	McDermid
McDougall (St. Paul's)	McKnight
Merrithew	Monteith
Nicholson	Nowlan
O'Kurley	Plourde
Porter	Pronovost
Redway	Reid
Richardson	Robitaille
Roy-Arcelin	St-Julien
Schneider	Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)	Shields
Siddon	Soetens
Sparrow	Tardif
Tétreault	Thacker
Thompson	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Van de Walle
Vankoughnet	Venne
Vien	Vincent
Weiner	White
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)	Worthy—118

NAYS

Members

Allmand	Anawak
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Barrett	Bélair
Berger	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Boudria
Caccia	Catterall
Clancy	Crawford
Ferguson	Finestone
Fontana	Fulton
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hovdebo	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Laporte
Lee	MacAulay
MacLaren	MacLellan
MacWilliam	Maheu
Manley	Marleau
McCurdy	McGuire
Mifflin	Milliken
Nault	Pagtakhan
Parent	Parker
Peterson	Pickard
Proud	Prud'homme
Robichaud	Rodriguez
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Vanclief	Waddell
Walker	Whittaker
Wood	Young (Gloucester)—76

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Mr. Lewis: Mr. Speaker, I wish at this time to confirm, after discussions among House leaders, that tomorrow will be an allotted day.

Mr. Milliken: Mr. Speaker, there have been discussions among the parties and I think you will find a disposition, notwithstanding Standing Order 57, to allow the speeches to proceed on the basis of 10 minutes each in the usual allocation, unless the speaker for one of the parties stands up and indicates that he or she will be speaking for 20 minutes. The normal rule will be 10 minutes.

Mr. Hawkes: Mr. Speaker, I want to confirm for the assistance of the Speaker that if an individual party would like to take 20 minutes for one member, then he or she would so notify the Chair at the beginning of the speech.

Otherwise it will be two speakers per party in the normal rotation and 10 minutes each.

Mr. Axworthy (Saskatoon—Clark's Crossing): Yes, that is the understanding of the NDP, too, Mr. Speaker.

The Acting Speaker (Mr. Paproski): It is so agreed. The hon. member for Prince Edward—Hastings.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, February 6, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-62, an act to amend the Excise Tax Act, the Criminal Code, the Customs Act, the Customs Tariff, the Excise Act, the Income Tax Act, the Statistics Act and the Tax Court of Canada Act, be read a second time and referred to the Standing Committee on Finance; and

the amendment of Mr. Turner (Vancouver Quadra) (p. 7569).

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, it is certainly nice to get back to debate after all the games that have been played by the NDP. I believe this is the fifth day that we are supposed to be debating the goods and services tax bill, and we have not even had eight hours of debate on the biggest tax grab in Canadian history. It is a very sad situation not to be able to have the opportunity for debate on this issue.

In order to end the debate even faster, the government has implemented closure for the thirteenth or fourteenth time.

• (1750)

I would like to discuss some of the concerns of small businessmen and others in my riding about the effects of this goods and services tax at a time when they cannot believe any government would maintain the high interest rate for as long as it has. Our Canadian dollar remains high and is absolutely devastating to their business. The sales of their products are decreasing.

For example, I will cite the case of Deacon Brothers, a clothing manufacturing business in Belleville. This firm has been a family business in Belleville for some 87 years. It announced a year ago that it was to build a new plant and to move to that new plant this May. About a month ago, the firm made the announcement that because of what was happening to sales there were no orders on the books for this spring. This firm has 40 employees.

The Acting Speaker (Mr. Paproski): Order, please. If hon. members would like to carry on a conversation, would they go behind the curtain, please.

Mr. Vanclief: Mr. Speaker, because the firm knows what a goods and services tax is going to do, it could see the writing on the wall and what it was going to do for its industry. Rather than go through all of the hassle, the administration and the move, it decided to close its business and put 40 people out of work.

Small business people are tired, overworked and overwhelmed by what is happening. When I go home on the weekends they ask when the tax system in Canada will be revamped so that it is fairer for the lower income person, the middle wage earner and the small business man. I tell them that I do not think it will happen with this government. It has raised taxes 31 times in five years, and it does not seem to realize what that is doing to small business.

I also noticed in an article from Vermont in the United States that it was thought the goods and services tax in Canada was going to be a wonderful thing because it would increase the costs of goods and services to Canadians by 7 per cent. That is just going to drive more Canadians across the border to purchase their products.

This government has supposedly been trying to handle the affairs of the country for the last four or five years, through some fair and reasonable times and some business booms. I cannot believe that it has not done more than it has. The government brags about its fiscal management, but the total Canadian debt has doubled in that five-year period.

I want to read from *The Wall Street Journal* of January 10, 1990. I think this publication is pretty highly respected even by the Tories. The article reads:

> The Tories are raising taxes without reducing the debt—It is not easy to go bust when your income doubles over five years, but Canada's Progressive Conservative government isn't flinching from the challenge.

The article goes on:

> Wilson traded one tax increase for another when he lowered his proposed goods and services tax rate to 7 per cent from 9 per cent and raised some personal taxes.

It is not easy to do what the government has done with the debt but, by golly, it has worked hard at it and it has doubled it.

My constituents ask me several questions. They ask: "Is the tax going to be a joint tax with the provinces?" I say that it is not. "Is it going to be visible?" I say: "No, not necessarily". They ask: "Are we going to reap the so-called benefits that the Minister of Finance is telling us about as far as the reduction in the 13.5 per cent manufacturers' sales tax on goods and services is concerned?" I say: "Well, the minister says he cannot guarantee that".

I had interesting conversations with several car dealers in the last two or three days. The government has tried to convince taxpayers that they are going to save 13.5 per

cent because the manufacturers' sales tax on automobiles is going to disappear.

Car dealers told me that the seniors in their companies were saying that if there were any savings at all on the retail price of a car after the GST came in, the saving on a $25,000 car might be $200 or $300. If the manufacturers' sales tax of 13.5 per cent disappears like it should disappear, it should be a saving of $2,500, not $200 or $300. Consumers will have to pay the 7 per cent on top of that.

I asked the government where the saving is for the small businessman who is already in business. We hear that they will get the GST back on new purchases they make. I do not deny that in the legislation, but I was approached by a restaurant operator who said that he already had all his capital investment. While there was a little upgrading each year, he wanted to know where he would save on the GST. I told him that the government said that he would not have to pay 7 per cent on his placemats. He said to me: "Well, big deal, 7 per cent of 1.5 cents on a placemat. That is really a big saving".

He asked if he would have to charge 7 per cent on the meals on his menu. I said that he would and agreed that it would not be very good for his business.

He wanted to know what he would get for collecting this tax. I told him that he would really not get very much. "Originally", I said, "you would get $600 a year but that is gone now". I said: "You are going to get one-time help of $1,000 and after that you will be collecting the 7 per cent GST for the government out of the goodness of your heart". As well, I said to this person: "Just do not take everything that you hear from this government as the gospel truth". He agreed and said: "We are getting a little sick and tired of that type of thing".

We see today how much we can trust the government. It has lost the trust of the Canadian people. I hope it realizes it soon and will revamp the Canadian tax system to make it more fair for everyone, not just for its rich friends.

I will take a couple of minutes to address the problems this will create in agriculture. One of the major problems facing a primary producer in agriculture in particular is having enough time. This tax will place a greater demand on the farmer's time. Most farmers do their book work at night or on the weekend because they have to do it themselves; there is not the money in the business. They are prepared to do that. That goes with the uniqueness of the industry they are in.

They are led to believe that this is going to help their cash flow. I beg to differ with that, and I can tell you from experience that one of the major problems farmers have today is the problem of being able to borrow sufficient money for cash flow.

This tax is going to have to be paid up front by producers. They are going to have to pay tax on their veterinary services, tax on their fertilizer, tax on their repairs, and other costs.

I note with interest one of the items that they are not going to have to pay tax on is natural fertilizer. There is another word that I could use for natural fertilizer that would not be very parliamentary. This government certainly has lots of that, so it is good that it can sell that and peddle that in the future without having someone to pay tax on it.

I made some phone calls to Revenue Canada. Many of those items in the technical papers that we were told would be clarified in the bill when it came forward have not been clarified. The word that I am sending to the agricultural community is that the only hope it has now, because the government is going to railroad this through whether farmers want it or not, is to lobby the government to get those lists, whether they be for zero rated or for tax exempt items.

• (1800)

We were told in the technical papers that we would have a list in the bill of those items that would be zero rated. They are not in the bill. We were told that definitions would be there. They are not there.

The message to all industries is to continue to lobby in the hope that the technical papers and the definitions will be changed to improve this terrible piece of legislation.

Unlike most businesses, agriculture, by its very nature, is not very attractive because of variable yields, unpredictable weather, the elements, the long hours, the miserable returns, the lack of security, the lack of adequate rural social services, the isolation in many cases, and its insatiable capital demand. Many young people are thinking a second time before they attempt to enter this industry.

The government predicts a slight increase in inflation at the outset of this tax. I wonder for how many farmers this slight increase will be the final straw that breaks their hearts and their will.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am pleased to participate in the debate on the goods and services tax. This is going to be a long evening, as we know, as we debate here into the wee hours of the morning. I will give notice to you now, Mr. Speaker, that I will be speaking for 20 minutes on this very important issue.

I cannot let the previous speaker get away with some of the statements he made. He certainly painted a very gloomy picture of what is going on in this country today, and how depressed it is in his particular area around the Belleville—Trenton area. I see his seatmate there with him who represents the neighbouring riding.

I was there recently. I went to school in Belleville, so I know the area very, very well. Belleville has never had it so good. Industry is growing there. There are industries coming in and expanding. There is job creation in Belleville. The mayor was telling us that the area is second to none. Now the member stands up and tells us all this doom and gloom about his riding, that it is going to hell in a hand basket.

The riding is one of the most beautiful tourist areas around, one of the finest parts of Ontario. Yet the member stands up and makes it sound like it is a depressed area. Well, what nonsense. What absolute nonsense. Belleville and Prince Edward—Hastings are doing extremely well and the area deserves a member who is prepared to stand up and promote it, not to put it into the ground and tell us how doomy and gloomy it is. I know better and the people who live there know better. What nonsense. They did not send that member up here to tell everybody how terrible things are there. What nonsense.

The member talked about the small business, the clothing company that is closing down because of the GST. That clothing company is going to save money on its operations. It is going to be a much more efficient operation. The GST is going to allow it to compete with competitors off-shore. That is what this all about. I am going to get into that in a little more detail in my comments.

I would like the hon. member to bring that individual who closed his operation down because of the GST, to see me, or I will go to see him and explain how it will work and be of advantage to his company. I can certainly explain to him why it will be an advantage to his company. Absolutely. No question.

The member says that the measure is not fair to lower income people. The Minister of Finance, under the goods and services tax, will be enriching a sales tax credit. I might remind you, Mr. Speaker, that the previous administration, before 1984, had a federal sales tax, a manufacturers' sales tax. The Liberals had one in this country, but do you know what? It was hidden, it was buried, and there was no sales tax credit for low-income people. It was not in existence. It was the present Minister of Finance who brought that in.

Mr. Milliken: What was the rate?

Mr. McDermid: It was 12 per cent back then.

Mr. Milliken: Oh, no, no.

Mr. McDermid: Oh, yes it was. I remember when it was 12 per cent. Absolutely, it was 12 per cent back then.

Do you remember that in one budget they brought down the federal sales tax from 12 per cent? The Liberals lowered the federal sales tax but they increased the debt rather significantly. They were fooling the Canadian people at the time. They looked like they were being great guys by lowering the sales tax but they jacked the debt up sky high.

We remember Mr. Chrétien bringing in three budgets in 16 months. He was juggling things around like crazy. He was having a terrible time.

My hon. friend from Prince Edward—Hastings said that this is going to increase prices by 7 per cent across the board. That was his statement. Yet every economist has made it very clear that there will be a one-time increase in inflation of about 1.3 per cent, not 7 per cent. He and his colleagues are the only ones going around the country spouting this nonsense. It is just not true.

The hon. member was talking about the debt of this country and how it has increased since the Conservatives came to power. They like to talk about this. I want to point out to the hon. member in that period of time, from 1984 to today, $154 billion was paid out in interest

charges, just interest. The debt rose $152 billion in that period.

In other words, the only thing we had to do over the last five years was to borrow money to pay the interest on the debt that the Grits left us with. That is exactly the situation today.

Mr. Milliken: How much did taxes go up?

Mr. McDermid: The member is talking about the debt. He wants to talk about the debt and I am giving him the figures. There was $154 billion paid in interest payments and the debt increased $152 billion.

Mr. Milliken: You raised taxes.

Mr. McDermid: That is right. Because we want to pay for programs. You did not. You were borrowing $16 billion a year to pay for programs. You were not even collecting the money to pay for the programs.

Today there is a $9 billion surplus on programs and income. The member goes "Oh". This is a Liberal accounting, "Oh, oh". I love it. That is what the finance ministers did. I sat in here and watched Chrétien and Lalonde. I watched them all go, "Oh", including their leader, only he just shrugged. I watched all that. That is Liberal accounting. Now we have a finance minister who understands the problems of finance and is doing something about them. No question about it.

Canadians have one of the highest standards of living in the world but we cannot sustain it and we cannot improve upon it if we live in the past. We have to look to the future. That is what this government is doing. If Canadians want to have the future on their terms, there are investments to be made and there are bills to be paid now.

Mr. Whittaker: Just scrap it.

Mr. McDermid: I have been picking on the Grits, maybe it is time I went after the NDP. We understand the NDP philosophy perfectly, Mr. Speaker. Spend now and somebody, somewhere down the road, will pay, probably when we become a Third World country when the IMF rolls in here and we start begging around the world for help with our debt problem like other countries are doing today.

That is what the socialists would do if they ever got power. Thank God it is not going to happen, ever. Never in this country will the socialists see power because the Canadian people see right through them. They have seen the problems that socialist governments throughout the world have created. They are now turning to Conservatives. They are now turning to governments which have fiscal responsibility and that is what we have in Canada today. Thank goodness we do.

• (1810)

This country has to move ahead. We must be competitive producers of goods and services. We export 35 per cent of what we produce in this country. We are a trading nation. We cannot be like the New Democrats who want to stop the world and get Canada off. The NDP wants us to live on this little island all by ourselves with huge tariff barriers to protect this sector and protect that sector. The New Democrats want to tax our industries so high that we cannot compete with our competitors in the United States, in Asian countries and in Europe. That is what they want to do.

We cannot live in economic isolation. We just cannot do it, as much as the NDP would like to. The international marketplace is the ultimate judge of our products, but our financial policies are under scrutiny as well. Twenty-four hours a day there is a market open somewhere in the world and people watch Canada and what we are doing. There is no room for wishful thinking. There is no alternative to responsible management.

Canadian enterprises will make their way in the world economy by becoming smarter, faster to adapt—as you know, things are changing very rapidly in this world—more efficient and more productive. If Canadian firms are to provide the growth that we expect from the Canadian economy they must also have a tax system that places them on equal terms with those of other countries with which we compete, and that is what this is all about.

The goods and services tax is a sign that we are truly serious about maintaining and improving our international competitiveness. It is a sign that the government is serious about giving our business sector the tools it needs to do the job that we expect. We are taking action on sales tax reform now because we can no longer afford the destructive and wasteful impacts of the existing tax, which both the opposition parties say we have to get rid of and have for a very long time. They have always said we have to get rid of it.

Mrs. Stewart: Mr. Speaker, I rise on a point of order. The hon. member has now spoken for 11 minutes. I wonder if he can inform us whether his speech is 10 minutes or 20 minutes.

The Acting Speaker (Mr. Kempling): It is a 20-minute speech. I am watching very carefully.

Mr. McDermid: Mr. Speaker, obviously the hon. member must have come in late. I gave notice immediately at the beginning of my speech. I am glad she is paying so much attention. That is great. I am flattered.

Five years ago, in November of 1984, the Minister of Finance laid out an economic plan for Canada. In that economic plan he had a number of items that he wanted to accomplish over a period of years. Of course, one was income tax reform which was completed in 1987. Another was privatization of certain Crown corporations that the government no longer needed for public policy purposes. Some 18 corporations have now been privatized, all of which are doing very well with the exception of one. That one was not doing very well as a Crown corporation either, it was eating a tremendous amount of money.

It is very important that we look at this over-all economic plan which included deregulation and freed up the private sector to create employment and grow. I can remember very clearly the night of that economic statement. I was sitting in this Chamber. First the Leader of Her Majesty's Loyal Opposition got up and said that this was a disaster, that it was the end of Canada as we know it, that we were going to lose thousands of jobs, that it was just a terrible thing. Then the then Leader of the New Democratic Party got up and said that with this policy we were going to lose 100,000 jobs. That was his exact statement that night.

One and a half million new jobs have been created over the last five years, not in the Government of Canada, not by buying Crown corporations and not by enlarging the bureaucracy. The private sector has created 1,500,000 new jobs, meaningful jobs; 85 per cent of them full-time, 57 per cent of them filled by women.

Unemployment has dropped in every region and as well, and rather dramatically, among youth. The economy has expanded by 20 per cent. Business investment is up 61 per cent in this country. It is a good record. It is an astounding record. I believe the Minister of Finance deserves a tremendous amount of credit for that performance here in Canada.

Canadians know that good jobs, higher income and higher standards of public services all depend on our ability to compete in a tough world. The private sector and the public understand that.

I am not going to go into the details of the existing federal sales tax tonight. Suffice it to say that it is damaging to our economy. It gives our producers an unfair advantage over industries that import products. The damage that we have done to our industry is phenomenal. We are the only country in the world that has this type of tax.

Study after study has concluded that we should get rid of it. Various business associations have said that we should get rid of it, including the business association that Mr. Bulloch leads, whom everyone across the way likes to quote. He wants to get rid of it as well.

I mentioned earlier that we trade 35 per cent of everything we produce in this country. If we are going to compete, then we better put our producers on an equal tax footing with their competitors. And that is exactly what we are doing.

Mr. Ferguson: Give them $20.50 a tonne and they'll sell their wheat.

Mr. McDermid: The hon. member for Lambton—Middlesex is sitting there bawling like a stuck calf. The hon. member should realize that this is going to help the farming community as well. There is no question about it.

Mr. Ferguson: Go to Saskatchewan and tell them that.

Mr. McDermid: A lot of input costs are taxed now that will not be taxed after this, so I can tell the hon. member that they will do much better.

The GST will eliminate all federal sales tax on inputs to the production process and that brings more incentive to invest in Canada. It means more jobs, greater productivity, greater domestic output, and that is what we need in this country.

This government has shown strong economic leadership since first coming to office. That leadership has produced results. The goods and services tax is just one more step in getting the economic performance of this

country in shape, but it is a critical step. We must move ahead now.

Some members of the opposition stand up day after day and say that 79 per cent of the Canadian people do not want this tax so we should get rid of it. When 85 per cent of the people in Canada wanted capital punishment brought back that same bunch, in both parties, voted against it. But now they are saying that because the people say they do not like this tax, we should not bring it in.

In closing, we are bringing it in. And I can assure you today that by 1992 the Canadian people will understand that it is a better system and a fairer system and that it will do more good for the economy of the country than this tax that we have now which is unfair and hidden. It is a tax that must go. I think hon. members will find in the months and years ahead that Canadians will continue to create an economy that offers more open roads and fewer of the dead ends that the NDP are always promising.

• (1820)

We are making tough choices now so that Canadians in the future will share more prosperity and more opportunity than we have today. That is what this is all about. We are dedicated to getting on with the job.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the rather incoherent, self-congratulatory, superficial monologue of the Minister of State for Privatization does not really deserve a comment except to say that the Tory future that he has attempted to outline—and it took him 20 minutes to do that—leads us toward a regressive tax and into an era of anti-environmental taxes.

It is important to put on record today in this debate that what the so-called Progressive Conservative government is proposing to Parliament for a vote tonight is a goods and services tax which runs counter to sustainable development. The tax is not only regressive, and I am sure that the minister understands the meaning of the word, but it is without any reference to the environment. It can even be considered to be damaging to the environment in many respects.

That is so because it will increase the tax burden on environmentally harmless goods and services, which presently are not taxed. At the same time it will reduce the tax burden on goods and services that are energy intensive and polluting which at the present time are taxed more than they will be under the GST. In other words, this government is proposing a tax which is in contradiction with the polluter-pay principle.

Basically what this government will achieve once this tax comes into effect is the reduction of taxes on products that are the most damaging from an environmental and social viewpoint. That is the Tory tax ideology the minister was defending a moment ago. But the taxpayers will catch up with him on that at the next election.

On January 23, 1990, the environment committee was informed by Dr. Metz, the Netherlands' Counsellor on Health and Environment, that as of January 1, 1990, the Netherlands had introduced energy taxes for environmental purposes. They have implemented an additional carbon tax on energy. They say it is a fairly modest tax but it is just the first step. We applaud that and wish only that this government would have enough imagination and sense to implement its rhetoric when it comes to taxation and the environment.

There are several alternatives. For instance, if you take the proposals of the Quebec Union for the Conservation of Nature and le *Groupe de recherches appliquées en macro-écologie,* you find exactly what I quoted a moment ago, mainly an idea which they have fleshed out whereby they propose the importance and desirability of, instead of an outdated and regressive sales tax, a tax on environmental nuisances which they call TEN. It is a form of carbon tax. It is a taxation of fuels that is dependent on the amount of carbon dioxide that is released when these fuels are consumed.

The environmental nuisance tax would be calculated on the basis of $130 per tonne of oil equivalent. Such tax would generate some $17.3 billion of revenue, reduce the bureaucracy which is needed to collect the federal tax from the present one in place, and would, of course, encourage fuel efficiency in industrial, trade, commercial and domestic activities.

In other words, what the Quebec Union for the Conservation of Nature and *le Groupe de recherches appliquées en macro-écologie* are proposing is a tax that will lead to higher productivity and a more competitive position in world markets while, at the same time, taking into account the ecological situation that we are, at the

present time, facing and which we intend to improve, particularly in relation to climate warming.

If you look west instead of east you will find Professor Rees at the University of British Columbia suggesting another form of tax. It is called entropy taxation. He argues that instead of subsidies to hydrocarbons, Canada should place a tax on fossil fuels on the economically sound grounds that atmospheric capacity to absorb carbon dioxide is a scarce resource for which we, as consumers, should pay. The tax rate should vary for different fossil fuels, of course, depending on carbon content per unit of energy. It would, therefore, be approximately twice as high for coal as it is for natural gas. Such a tax would lower the consumption of hydrocarbons, encourage conservation and reduce carbon dioxide pollutions.

If the Minister of Finance is not satisfied with home-grown suggestions and wants to look at what is being proposed on the other side of the ocean, he will find a proposal by Professor Ewringmann at the University of Cologne in the Federal Republic of Germany who speaks in terms of a green tax reform which includes a carbon tax proposal, taxes on throw-away packaging, taxes on junk mail and taxes on water consumption.

What an opportunity the Minister of Finance had which he has completely wasted by not remembering the commitment made by his own Prime Minister at the United Nations and in Toronto in 1988 when this government committed itself to sustainable development and to the reduction of climate warming.

Here we have a tax reform which will be outdated the moment it comes into effect. It has no consideration, it has no sensitivity, and it actually disregards the potential and the requirements that the environmental situation of today demands.

The time allocated requires that I conclude now. The government has not understood that the environment and the economy are one and the same thing, that there is no conflict between the two and that the taxation instrument is a very important instrument in order to achieve ecological objectives. This opportunity, unfortunately, has been missed entirely.

The GST is penalizing environmentally friendly activities, goods and services and it is going to favour, by way of a lower tax, activities and services which are environmentally damaging. That is the summary, from an environmental and sustainable development point of view, of the proposal of the Minister of Finance which we have here for discussion tonight.

• (1830)

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, we have heard during debate on the GST in the finance committee and in the House itself that the principal justification, in the government's view, for the goods and services tax is the need to replace the manufacturers' sales tax. It has been pointed out frequently that the need for replacement of that outmoded and in many ways injurious tax has received the support of all three parties in the previous Parliament. Indeed, no one would dispute the need to replace, modify or change the manufacturers' sales tax in order to remove the well known detrimental aspects of this tax.

However, the question is really whether the goods and services tax is, in any way, a satisfactory replacement for the manufacturers' sales tax. What began as an understandable effort to seek support for a visible and equitable sales tax to replace the manufacturers' sales tax has ended with something very different. The fact, of course, that the government has changed its original proposal of a 9 per cent tax to a 7 per cent tax in no way changes the basic problems with the proposed tax.

We all know that all sales taxes are regressive. They have a more adverse impact on the lower-income people in our society than on the more prosperous. The government committed itself to alleviate the adverse impact of the goods and services tax on the lower-income people by offering an offset in terms of a significant credit. Of course, while this is socially desirable in any discussion of a regressive sales tax, it means that the cost of the tax itself increases. Also, the government has sought to reduce the regressive nature of the sales tax, an almost impossible task, but nevertheless it undertook to do so, by excluding certain goods and services from the effect of the tax. This, of course, resulted in a narrower tax base than what otherwise would have been the case, and therefore the rate had to be increased to offset the fact of a narrower base.

The government attempted to obtain agreement from the provinces for a jointly administered sales tax. It failed to achieve that agreement, it failed to achieve agreement from any province, presumably because no province wishes to be associated, directly or indirectly, with the imposition of yet another regressive sales tax. The result is a much more expensive tax to administer, because federal and provincial sales taxes will not be levied at the same time. There will be an additional cost for consumers since provincial sales taxes will be levied on top of federal sales taxes. That is very nice for the provinces. It results in a windfall of several hundred million dollars for the provinces in taxes that they did not think they were going to get. But, it also means the consumers of Canada will be paying several hundred million dollars more in a consumption tax than they would have paid if the government had succeeded in convincing the provinces to combine with them on a jointly administered tax.

The cost of a separately administered federal sales tax will be greater than if it were administered jointly with the provinces. The credits to small business to offset the increased collection costs of the federal tax again will be higher than needed, thus making the GST more expensive.

There are many other flaws in the GST. In short, it is neither visible, simple, fair nor effective. But, along with the basic problems about the tax, as noted by my colleagues in detail, is the severe problem that a sales tax of these proportions is inflationary.

With all goods and services in Canada being taxed, except for something called basic groceries and a few other items, there will be an immediate, pervasive and prolonged inflationary impact. To some extent, this might be mitigated by the price reductions that, presumably or theoretically, will be passed on to consumers by manufacturers who will see their sales tax reduced from 13.5 per cent to 7 per cent. But, I know of no mechanism which can assure us that this will be done and that those savings will be passed on to the consumer. In any event, of course, the GST covers a much larger range of goods and services than the manufacturers' sales tax which it is replacing.

It is idle to believe that in such inflationary circumstances organized labour will not seek to offset the adverse impact of the tax when they get to the bargaining table. We can be quite certain that in the year ahead of us we shall see rising wage demands across Canada, again fueling inflation on top of the fuel already provided by the goods and services tax itself.

Mr. Caccia: That is why we need the environmental tax.

Mr. MacLaren: My colleague draws attention to the environmental tax. I agree with him. I would only note that if higher wage demands result from the GST, we shall find Canadians attempting to cope with renewed inflationary pressures in a variety of ways.

We will also see the Governor of the Bank of Canada attempting to cope with inflationary pressures with the one tool that he has at hand, a crude tool it is, but it is the only one he has at hand, monetary policy. I think we can be certain that as the inflationary impact of the GST works its way through the economy, the Governor of the Bank of Canada will feel compelled, once again, to increase interest rates in Canada.

The tragedy of this situation is that the government had the opportunity during six or more years of economic buoyancy to combine fiscal and monetary policies to fight inflation, but they did not do so.

A few moments ago, my colleague across the way spoke of the November 1984 statement by the Minister of Finance. A Conservative government had come into office and the Minister of Finance of the day soon issued a statement to the effect that if drastic measures were not taken by the new government, federal spending could rise as high as 21.8 per cent of the Gross National Product. "Horrors", he said. "We must do something". Well, where is it today? It is 22.2 per cent, not the terrible 21.8 per cent he forecasted, but 22.2 per cent.

How can our colleague across the way talk about progress being made? He said that program spending has been reduced. Program spending was forecast to rise to 16 per cent of GNP if the government did not act. Today, it is 16 per cent. The government, crying "horror", said interest charges on the debt would reach 5.3 per cent of the GNP. Where is it today? It is 6.1 per cent of the GNP. The government said the interest rate on the debt would average 6.5 per cent over the five years between 1985 and 1990. What has it averaged? It has averaged 9.6 per cent, not 6.5 per cent which caused them such concern. But, under their own government, their own policies or absence of policies, it has now reached an average of 9.6 per cent. Finally, they said if they did not act immediate-

ly on inflation, it would reach 3.8 per cent. Where is it today? It is 4.3 per cent.

The problem is one of government mismanagement of the economy. From 1982 to 1990, Canada has experienced an economic boom, a consumption boom, fuelled in part by cuts in taxes and a continued high level of government spending. The government failed to take the opportunity of a buoyant economy to raise taxes and cut government spending. Now with an economic slow-down in the offing, the government is increasing taxes, stimulating inflation and finally facing up to the prospect of having to cut government spending, but all at the wrong time. The government delayed over and over and now it has left any action so late in the economic cycle that all Canadians will pay the price of this government's economic mismanagement.

• (1840)

Mr. Milliken: Mr. Speaker, one of the conventions of our Constitution is that ministers are responsible to the House of Commons. This is a government bill under discussion and there is not a single minister of the Crown in this House.

Mr. Thompson: No members either.

Mr. Milliken: I would suggest that if the Speaker wishes to allow the debate to continue, he get ministers in and if none want to come, I suggest we simply adjourn immediately.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, to begin I want to use the words of a 17th century French statesman and former finance minister, Jean Baptiste Colbert. Colbert, I think, sized up taxation by stating that the act of taxation consists of plucking the goose so as to obtain the most feathers with the least hissing. I think we would all agree that there is a fair amount of hissing in relation to the goods and services tax. I believe that the sum of that hissing, a great deal of that hissing, is simply caused because of a lack of information and knowledge on behalf of the taxpayers of Canada.

I do not believe that we have done a good job in explaining this tax and I do not believe that the opposition has helped us in the explanation of this tax and what it really is. To begin, Mr. Speaker, I might have to go back to the classroom of my old teaching days. It has been about 10 years since I have been in the classroom but I think the basis of any intelligent debate is information and facts. Let us go through this process and see if we can explain some of the difficulties with the perception of this tax.

The tax itself is a replacement tax. I think we should emphasize the word "replacement" because it is a replacement tax. We are taking an outdated federal sales tax of 13.5 per cent, a sales tax that has been around since 1924, and replacing it with a 7 per cent tax. That is the one point I believe all of us fail to mention enough, that it is replacing an existing outdated tax.

Where does the difficulty lie? I think it lies, in a sense, in an article that a lady by the name of Diane Francis wrote for *The Financial Post*. Listen to what she had to say about the goods and services tax in the November 15, 1989 edition of *The Financial Post*:

> One cannot blame the public for being upset.

This is in relation to the goods and services tax. The article continues:

> After all, a bush-league press and second-rate politicians tell them the GST is a brand-new tax over and above the onerous burden most are shouldering. This is erroneous. This is not a new tax but one that replaces a destructive, burdensome one that eats jobs.

I agree with her totally. I believe there has been a lot of nonsense spoken by the opposition in relation to this tax. I will tell you where the opposition has not changed their tactics at all. Ten years ago in this country, almost to the date, we were in the midst of a federal election. Why did that federal election come about? If you sum up the 1980 election, it was a 16 cent a gallon election. It was an election when a finance minister of this country attempted to come to grips with some of the financial problems we were facing. And to do it we were going to be paying 16 cents more per gallon for gasoline, a fuel tax.

What happened? The government was defeated in 1980 and we resorted back to the old ways of spending. We did not come to grips with our problems in the way that we should have and could have. By losing that election, we lost the best opportunity that this country has ever had since Confederation to come to grips with certain realities.

What happened to the tax on gasoline? I think the Canadian public was totally deceived. The tax certainly exceeded fivefold the 16 cents per gallon. The point is that taxation is not a popular concept. It is one that is very difficult to articulate and one that the Canadian

people would rather not talk about. But we are talking about it and we are going to do something about it.

Let us look at some of the areas of taxation and exemption into which we are getting. To begin with, of course, we know that this tax is going to replace the existing onerous 13.5 per cent federal sales tax. It will not apply to such things as residential rates or rents, health and dental services, hospital and nursing home care, day care services, legal aid services, financial services, and certain educational services will be exempt in this particular tax.

What we are attempting to do with this tax, as I said initially, is to come to grips with certain realities in this country. We have an onerous debt, a debt that has to be reduced. That is exactly what this new tax is going to do. It will contribute to the government's debt reduction effort and it will ensure that we can pay for programs that we, as Canadians enjoy, programs such as medicare and old age pensions.

It is going to ensure that Canadians can compete effectively in the world economy because the present federal sales tax discriminates against products made right here in Canada. As crazy as it may seem, our present taxation system leaves our domestic products at about a 30 per cent disadvantage in relation to products brought in from other countries. It leaves our exporters at about a 1 per cent disadvantage in the international market at a time when we have to compete in international markets. That is what it is attempting to do.

To offset some of the problems envisaged because of the difficulties that low-income families might experience this very day with the federal sales tax, we will have it set up so that lower-income families and those in the $30,000 range and under net income, will enjoy some definite advantages with this particular program. The credits which will be going out to all the individuals in Canada with incomes under $30,000 per year will start in December of 1990 in advance of the start-up of the GST. So there will be money in the hands of low-income Canadians to help offset this new taxation.

Small businesses will certainly have an advantage because of the tax credits they will receive under the GST which they do not receive under the federal sales tax. The paperwork involved in processing their taxation is not as onerous as the opposition would like to have us believe. Businesses with $500,000 of annual sales can file one annual report. Companies with sales of $6 million or more can do these reports quarterly. There are good reasons why we need this tax. It simply comes right down to the fact that to be competitive we must have it, the old tax has to be replaced, it is a burden on industry and the development of this country.

• (1850)

In conclusion, I am going to quote the Premier of the Province of New Brunswick. Obviously, he is on the other side of the political fence, but I think he hit the nail right on the head when he said that the opposition has failed utterly in coming up with an alternative to this tax. The premier is saying that it is irresponsible for us to criticize the tax that is attempting to do something unless we have an alternative. Members on the opposition side are devoid of all alternatives.

I summarize by saying that this tax is good for Canada. It is something we should have had 50 years ago and I am proud to be part of the government that is bringing it in.

[*Translation*]

Mr. Charles DeBlois (Montmorency—Orléans): Mr. Speaker, I welcome this opportunity to speak in this important debate on the tax reform measures we are proposing to Canadians.

This evening I will not repeat what has been said many times before. We all know, about the reasons for this tax reform which has been awaited for years in this country, which follows a series of studies and which will put Canada on the same footing as 50 other countries that already have a VAT or goods and services tax.

Recently I noticed that as people became better informed, the percentage of the population that supports our tax reform has steadily increased.

The country's major commentators, and I refer for instance to the August 9 *Le Devoir*, in which Mr. Albert Juneau wrote: "The Wilson reform is inevitable. Despite its limitations, the Wilson plan is a tremendous improvement". That was last August. A little later, in December, in *Le Soleil*, a Quebec City newspaper, George Anger wrote an editorial: "The Wilson solution is the right one". And finally, the big Toronto newspaper, *the Globe*

and Mail, printed the following headline last Tuesday: "The unpopular but essential GST".

I think this is very significant. The opposition parties tell us that more than two-thirds, more than 70 per cent of Canadians are against the GST. The former Minister of Finance of New Zealand, Mr. Douglas, testified before the Finance Committee. He said that one month before the GST was introduced, two-thirds of New Zealanders were against the tax. One month after the tax was introduced, the situation was reversed, with two-thirds in favour of it.

Mr. Speaker, I understand the strategy of the opposition parties and especially the NDP, which for a week has been trying to prevent any debate on the issue. I think the people watching us this evening on television ought to know that we have been treated to votes on 30 minutes' notice. Last night we offered to sit until one o'clock in the morning. However, the Opposition wants to prevent public debate and ensure we talk about the tax as little as possible, because otherwise more people will realize there are good reasons for this tax.

Taxes are never popular, but on the weekend I was reading *La Presse*, which had conducted a poll on increases in tuition fees in Quebec. It seems 60 per cent of adults are against increases in tuition fees. Mr. Dubuc wrote that adult respondents were too hasty in their reaction to an issue on which they were ill informed. Three-quarters did not have the slightest idea what the present level of tuition fees actually was or that it was two or three times lower than in other provinces, which did not prevent them from being against the increase or from suggesting other ways to deal with a university financing problem.

Mr. Speaker, just because a poll at this time doesn't indicate popular support—a real leader has to propose the measures he feels are in the interests of his country, and hope that, as so often happens, people will appreciate those measures once they experience the benefits.

To show you the opposition's bad faith or ignorance, Mr. Speaker, I would like to take two concrete examples. The first is from the Liberal opposition. Last week, I asked the hon. member for Ottawa South, a Liberal, whether he was opposed to—because we must understand that the GST is not a new tax—a reorganized tax. Therefore, some items will go up in price and some others will go down. That is easy to understand. We are replacing a 13.5 per cent tax with a 7 per cent tax and applying the tax to new products. It is like two interconnected vessels: when the level in one goes down, the level in the other goes up.

So I asked the hon. member for Ottawa South the other day whether he was opposed to new cars costing at least $500 to $1,000 less starting January 1, 1991. I am not afraid to tell people that I am waiting for the GST to take effect before changing my car. I have a five-year-old car and I want to wait for 1991 because I know that a $15,000 car will then cost at least $500 or $600 less. For the car which the hon. member for Ottawa South drives, a Buick Century—I checked this afternoon, it would be about $1,200 less.

The hon. member told me that he could not afford to buy a new car. I quote the hon. member for Ottawa South who said: "Now, speaking of cars, it is clear that the Conservative member and his friends always buy new cars. I am just an Ottawa lawyer and I usually buy used cars."

Look at that, Madam Speaker. A member of Parliament who makes $80,000, who lives in Ottawa, who does not have to pay for a second home, can tell car dealers that he cannot afford a new car! Madam Speaker, excuse me, but that is bad faith. And I think it is right to tell people that new cars will cost a lot less. He tells me that he will buy a used car because it will give him—He says that unfortunately a 7 per cent tax will apply. That again is misinformation. There will be no tax on used car transactions between individuals and secondly, if you buy a used car from a dealer, you will pay 7 per cent on the mark-up. In other words, if the dealer bought the car for $10,000 and sells it for $12,000, the 7 per cent tax will be paid on the $2,000 mark-up.

Let us stop frightening people. Let us stop telling them stories. Let us be frank and tell the truth.

My next example is taken from the NDP. The star candidate in Chambly, Mr. Edmonston, the former consumer advocate, has now become the advocate of our big financial institutions. He keeps telling his audience in Chambly that Desjardins will be paying $20 million more per year because of the GST. That is just not true! The Minister of State for Finance went to his riding to

explain that any reservations Desjardins might have had last summer had faded because it was now clear that transactions between credit unions, and there are thousands in Quebec, will not be taxed. It is misleading to keep repeating, like Mr. Edmonston, that Desjardins will pay 20 million more annually because of the GST.

Madam Speaker, you will excuse my emphasis here but I just wanted to point out the opposition's bad faith or ignorance in this respect.

Finally, I would like to mention two ways in which people are reacting to the GST. We have the Canadian Federation of Independent Business, some of whose leaders have declared war against the GST. They are using what is referred to as telemarketing. They have a taped message which runs practically 24 hours a day, and we are now being flooded with calls by an anonymous voice that tells us to call our MP because the GST is no good.

I prefer what was said by the Federation of Canadian Municipalities in its latest bulletin: "We started talks with the Department of Finance and the results were excellent. We feel very positive". My point is, Madam Speaker, that this tax proposal is a very good one. This tax reform has been long awaited, and the Prime Minister said quite frankly some time ago: "We know that the proposed changes aren't popular but they are in the best interests of Canada. We want to make constructive changes in our economy, to make it more competitive, and we are prepared to introduce measures that are not popular because the national interest demands that we show that kind of leadership."

Madam Speaker, that was the point I was trying to make. In a very apt simile used by a columnist in *L'Actualité*, instead of the calm before the storm, we have the storm before the calm, like 50 other countries. If we give this tax reform a chance to be implemented, I think all Canadians will realize that the sky is not falling. They will realize they will be more competitive with a tax that will be far more productive and help improve the quality of life of all Canadians, including our hon. friends in the opposition.

The Acting Speaker (Mrs. Duplessis): The hon. member for Saanich—Gulf Islands.

• (1900)

[*English*]

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise tonight to conclude our fight in the House against the GST. Opposition to the GST started from the very word that this measure was going to be brought forward. I can remember sitting in the finance committee hearings last August in Ottawa listening to submissions by the Canadian Chamber of Commerce and its opposition to the GST. At that time I said that the opposition was forming strange new alliances. I want to tell this House about some of those strange new alliances.

Since last August I have been meeting with many constituents in my riding. I have been meeting with individuals, operators of small businesses, restaurant operators, and resort owners in the Saanich Peninsula, the Gordon Head area and the Gulf Islands. I have also met with representative of the Chambers of Commerce both in Sidney and on Saltspring Island. The unanimity of voice of those people indicates that they are absolutely opposed to the GST. People who usually have differing opinions on a range of subjects are unified in their opposition to the GST. This makes my job as a politician very easy because I am giving voice to their opposition.

People are feeling powerless. This government should take note of what has happened in eastern Europe where people have risen up in their feeling of powerlessness. If we believe in our political system we must rely on public confidence to do this kind of work. Imposing this kind of widely abhorred legislation is done at our jeopardy.

Since last August I have circulated many petitions throughout my constituency. Small business owners have been most gracious in contributing to that task. I want to read into the record a letter dated September 24 from Marlene Thompson, a constituent of mine and the proprietor of Roy Imports:

> Dear Lynn:
>
> I was pleased to receive your letter, and to learn that there was one person in Ottawa who realizes the problems that face the operator of a small business, of whom there are so many of us in Sidney; that our 24-hour day is pretty full, and for us money does not grow on trees. We just do not have the time for further tax administration or collection problems, nor the money to buy fancy cash registers or accountants to help us.

I must tell you before going any further, that I am not a member of your party; having voted Conservative all my adult days and thus feel somewhat responsible for the mess we have down there. I am thoroughly disenchanted with those we trusted to guide this wonderful land.

Considering all the scandals since Mulroney and Wilson took power—I wonder now if the cash register companies are greasing someone's hand.

I took the enclosed petition up one side of Beacon Avenue, until I ran out of signature spaces: every merchant signed it. They are very upset over the possible hassles and additional bookwork that is going to be required. I now plan on closing down my little shop at the end of the year. I do not have the time to devote to additional bookwork or tax administration. I had the feeling today in talking with 30 odd people that more will follow suit. The big corporations and oil companies will soon have swallowed up all of the small entrepreneurs.

This is an example of the kind of correspondence that many of us on this side of the House have received from people asking us to represent their opposition. That is what I am pleased to be able to do in this House tonight.

I want to point out that the income tax and the tax system in Canada generally is based upon a system of voluntary compliance. That system of voluntary compliance depends upon confidence in what we are doing. The GST and the widespread opposition to it erodes that sense of confidence. When we get this kind of legislation rammed down the throats of so many people, the voluntary compliance mechanism is eroded. What we are promoting by doing this is going into more of an underground economy. There may even be a downturn in revenues.

When government members speak about this bill, they point out what they call fairness. I have to put a somewhat wry little smile on my face every time they speak about this. We have to realize their definition of fairness is quite distinct from the definitions of fairness on this side of the House.

Perhaps, the most striking illustration of what the Tories have done to the income tax system can be found in some calculations done by the National Council on Welfare.

Since this government gained power in 1984, the income taxes of an average working poor family have risen by 44 per cent. Those of a typical middle-class family have increased by only 10 per cent. The typical top income family has seen its tax bills drop by 6 per cent. Is this fair?

Since 1984 the Tories have raised corporate taxes by 21 per cent, personal income taxes by 46 per cent and sales taxes by a dramatic 67 per cent. The far more significant issue is the reliance on sales taxes. What we are talking about here is a strange definition of fairness.

Whenever the question of fairness comes up the finance minister immediately points to the enhanced sales tax credit. We have heard a lot about it in this House. The credit is a direct payment made four times a year to those with incomes below $24,000, and partially available to those with incomes up to $30,000 depending on family size. The Minister of Finance argues that once the credit is counted in, low-income families will be better off under the GST than they would be otherwise in 1991.

This may be true, but is it a meaningful point of comparison? The working poor are clearly much worse off now than they were when Mr. Wilson became Minister of Finance.

Furthermore, even the small relief low-income families will receive due to the enhanced credit will be short-lived. The credit is indexed only to 3 per cent. If the Minister of Finance were serious about protecting this low-income group, he would have at the very least made the credit fully indexed to inflation.

I want to sum up by pointing out some of our alternatives. We in our party have developed some alternatives, unlike the Liberals. We have pointed out that there has not been a royal commission on the tax system in 25 years. I point out to those who are watching that we are willing to send them the minority report on our alternatives if they wish to write to me at the House of Commons.

• (1910)

The government's GST proposal is expected to raise $18.5 billion. We have proposals to reform the personal income tax system, to broaden the base of the corporate income tax, to impose a green tax, an excise tax to discourage production and use of environmentally hazardous goods and to introduce a tax on transfers of wealth, a millionaire's tax.

In conclusion there are alternatives, although listening to the finance minister one would never believe there were. There are viable alternatives. We in our party have gone to the trouble of proposing them because we

believe that as an opposition party we have a duty, not just to oppose this legislation but to propose alternatives.

Mr. Jim Karpoff (Surrey North): Madam Speaker, I am delighted to be able to speak on behalf of the residents of North Surrey tonight.

Many people will know that I made a survey of the residents in my riding concerning their support or opposition to the GST. Ninety-eight per cent opposed the GST. In addition, I have had thousands and thousands of petitions, including another 4,500 petitions that I received this week from seniors in my riding who are opposed to the GST.

One of the things they keep saying to me is that the biggest problem is that there is no credibility in the Tory arguments about the GST. Let me go through some of the reasons for their having no confidence that the government is telling them the truth.

First, members of the government say that the manufacturers' sales tax is evil and that it costs us jobs. I agree. But then they cannot understand why, if that was such a terrible evil tax, the Minister of Finance increased it from 8 per cent to 9 per cent to 10 per cent to 11 per cent to 12 per cent to 13.5 per cent. The minister started off saying that the GST would be revenue neutral. That is what he said. Now he is saying we must impose this tax to deal with the debt.

Which way is it? People say to me that he is not really serious about dealing with the debt. If he was serious about dealing with the debt, why did he bring into this House last week a bill that gives another $350 million in tax concessions to the rich, to people earning $86,000, by increasing their ability to avoid taxes on RRSPs. For people who are earning less than $37,000 he reduced their ability to contribute to their RRSPs. That is the way it has gone.

Last year there was $10.1 billion in revenue lost with the rich avoiding paying taxes by making contributions to their RRSPs.

People do not believe the government when it says that the tax will stay at 7 per cent. In New Zealand it went from 7 per cent to 12 per cent. In Britain it went up to 15 per cent.

My riding is the fastest growing riding in the country. It has more housing starts than anywhere else. New housing is vital to that municipality. People in my riding receive a pamphlet that states: "Over all, GST housing rebates will ensure that homebuyers will pay roughly the same amount of tax on their new house after January 1".

What do competent people say? The Homebuilders Association has put out a detailed report. It contains something like 28 pages of calculations. What does it say? It is going to drive up the price of a new house by nearly $5,000.

I had a tax consulting firm do another detailed calculation for me. It looked at the actual cost of land compared to the cost of building materials and labour. It calculated what in fact makes up the manufacturers' sales tax that now goes into that housing. It is saying that it will drive up the price by a little over $5,000.

In the metropolitan areas and in the fast growth areas like Vancouver and Toronto, the calculations show that it could be as high as $9,000; and if there is an increase in interest rates because of the GST it will add up to $14,000 on a new home.

The government's response was: "They are wrong". The Homebuilders Association has been asking since last fall for the government to produce its detailed figures. I have in my hand a statement issued by the Canadian Homebuilders Association within the last week which states that the government has refused to give it its detailed calculations. That is because this government knows that it is deliberately misleading the people of Canada.

The Canadian people do not have any confidence in the slick advertising that is at best misleading and at the worst deceitful and dishonest.

The government says that it will not affect rents. Yet housing economists clearly show that because of the input costs into rental units, the cost is going to go up anywhere from $300 to $400 a year, which means a rent increase for people of $30 or more a year.

The other people in my riding who say that they do not believe this government and what it is saying are particularly the small business persons. The small business person is concerned that there is going to be increased problems in the administration of this tax, that there is going to be less money for the customers to spend because they are going to have to pay 7 per cent on all of their goods and services. That is going to take away from consumer buying power.

Because of the very quick escalation of housing costs in some areas, some of the major shopping centres are feeling a downturn in consumer buying power. If rental costs or housing costs go up $150 or $200 a month, that money is taken from people's disposable income. People cannot afford to buy a new coat. They cannot afford to buy bikes for their children. They are paying their basic rent. If you add another 7 per cent to all of the goods that they are buying, they have less money to go around.

One thing that has happened in this whole debate is that people have lost confidence in this government. They are convinced that the arguments that the government is putting forward are not based on sound, rational behaviour and sound, rational calculations.

They are saying that the Liberals are in collusion with the government because, first, they started some of the trends away from corporate taxes. They are also the ones who are willing to push this measure through the House in order to allow their friends in the Senate to deal with it. That is simply because they do not have the confidence to deal with it here. They want to get it through this House so that they can have the Senate deal with it. They have been mainly responsible for the tax shifts that have taken place in Canada over the last 10 years.

One of the major things that my colleague was talking about is alternatives. She mentioned a number of the alternatives. The one that she overlooked was the question of the interest rates.

High interest rates are one of the direct problems that are creating this debt. A drop in interest rates of 3 per cent next year would save over $10 billion in servicing charges—$10 billion. That is one-third of the current debt.

If the Conservative government had brought in a reasonable interest rate policy three years ago, our current debt would not be $360 billion. It would probably be $250 billion.

• (1920)

I would like to summarize by saying that the residents of Surrey North are going to continue to oppose this tax, when it goes through this House and to the Senate and when it comes back to the House.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Point of order, Madam Speaker.

The Acting Speaker (Mrs. Duplessis): The hon. member for Kingston and the Islands on a point of order.

[*English*]

Mr. Milliken: Madam Speaker, once again I want to draw the attention of the Chair to the fact that there are no ministers of the Crown in the House. We are about to be treated to a speech by one of the supporters of the government. I would have thought that the ministers would have the politeness to come in, since they put closure on, and listen to the speeches of the hon. member who is about to speak.

[*Translation*]

Some hon. members: You are the only Liberal in the House.

An hon. member: That is not a point of order.

The Acting Speaker (Mrs. Duplessis): That is not a point of order. Order. The hon. member for Calgary Southeast (Mr. Richardson).

[*English*]

Mr. Lee Richardson (Calgary Southeast): Madam Speaker, I should say at the outset to the lone Liberal in the House that an agreement was reached over the dinner hour whereby some of our members would be allowed to slip out and get a bite to eat before the 1 a.m. vote. Thus a few of our ministers have in fact left the House momentarily to get a bite to eat.

We have had a great discussion tonight concerning the goods and services tax. Discussion on the goods and services tax has been vigorous and spirited since it was first proposed.

In June of 1987 Finance Minister Michael Wilson told Canadians how he planned to replace the out-dated, capricious manufacturers' sales tax.

For almost three years the government has consulted widely with groups and with individuals in cross-country hearings by the Commons finance committee. As a member of the finance committee I can tell you that this was a serious undertaking, prompted by respect for the opinions of Canadians and conducted in a thorough and painstaking way.

The proof of our commitment to the consultation process is the legislation tabled in Parliament. The concerns of ordinary Canadians are reflected in this legislation as well as the ideas and experience of our business and community leaders.

In every region of the country we heard the views of Canadians. Some understood the need to replace the old tax. Some were confused by conflicting stories they were being told. Many were prepared to accept the replacement tax if the government continued to cut expenditures and brought the tax in at a rate lower than 9 per cent.

Mike Wilson presented Canadians with the difficult choices to be made if the rate were to be reduced. The 7 per cent rate itself is proof that the government listens and listens carefully.

In the course of the public hearings and in the ensuing debate, Canadians have been plagued with a lot of myths about the GST. The government has gone to great pains to express the concepts and the impact of what we propose to do, why we are doing it and what the impacts will be. However, there are still some unfounded and unrealistic ideas about the GST.

I want to take this opportunity to address the concerns which still trouble some Canadians and dispel a few of the myths. For example, many people have been led to believe that the GST is a new tax added on to existing taxes. It should be made clear to Canadians that the GST is not a new tax but rather a replacement for a wasteful and destructive tax, the manufacturers' sales tax. This tax is a hidden one which the ordinary consumer never sees.

Canadians have been paying the old tax, and they have been paying for the old tax in the sense that it impedes our export efforts and makes imported products less expensive in relation to those of our domestic manufacturers. The goods and services tax is indeed new in the sense that it is a modern, up-to-date and efficient tax. But it is not designed to add to the existing tax burden; it distributes the burden more fairly through various sectors of the economy.

Myth number two is that some Canadians believe the GST is necessary because the government cannot control its own spending. This government has consistently pursued two key objectives since coming to office. They are to reduce government spending and to keep the debt on a downward course and ultimately eliminate it.

On December 15, 1989, the President of the Treasury Board announced further spending restraint measures and initiatives to increase the efficiency and effectiveness of government. These measures are additional evidence of our ongoing commitment to good management and expenditure restraint.

Mr. Milliken: Listen to that nonsense!

Mr. Richardson: Let me just tell the hon. member about our record in this regard.

Since coming to office in 1984 we have reduced the debt by almost $8 billion, from $38.1 billion to $30.5 billion this year. In 1984–85 our spending on all government programs and services was $16 billion more than revenues. This year as a result of tight management of spending and increased revenues program, spending is $9 billion less than revenues.

The fiscal plan we tabled in April shows that the debt will be cut in half within four years.

Since we took office, spending on all government programs through 1989–90 has grown by 3.6 per cent a year less than the rate of inflation. Relative to the size of our economy, expenditures on programs and services have declined from 19.5 per cent in 1984–85 to 16.1 per cent in 1989–90. If we had not restrained spending to this extent, program expenditures would have been $22 billion, or 21 per cent higher today.

The size of the Public Service has been reduced by more than 12,000 persons bringing it back to the level it was in the early 1970s.

We remain committed to ongoing debt reduction, but to do so will require continuing action to control expenditures and a stable and reliable tax system that supports economic growth.

GST myth number three is a widespread concern that the rate of the GST will be pushed up in a few years as an unlimited source of money for the government. It is difficult to see why we would introduce a measure as visible and as controversial as the goods and services tax if our intention was to increase the rate within several years. If our objective were merely to raise money without incurring the wrath of the public, the existing tax with all its faults is a much better way to do it.

In fact, members of this House should know as well as anyone that an increase in the GST rate would require approval of this House. This is hardly the place to expect such a move to pass without comment.

Changing the GST rate, given the visible nature of the tax itself, is not something that will be done lightly by any government. Through parliamentary reform and other measures we have increased the number of steps any measure must go through. In the end the best protection for Canadians from increased taxes is a government with our commitment to careful spending and responsible fiscal management.

Myth number four has led some people to believe that housing prices will increase sharply because of the GST. In fact, more than 90 per cent of new home purchasers will qualify for the full rebate under the GST, and some 95 per cent will receive some assistance. In most cities, like Calgary, impact on house prices will be less than 1 per cent. This government has a commitment to affordable housing and the goods and services tax is fully consistent with that commitment.

Myth number five is that small businesses across the country have been told the GST will be a nightmare of complexity and very expensive to administer. That is simply not the case.

The goods and services tax will have an impact on small business but the GST has been designed to minimize, as much as possible, the trouble and expense of compliance. The straightforward nature of the tax, its wide application and uniform rate all contribute to its simplicity.

In addition, there will be an exemption from the existing 13.5 per cent FST for cash registers and similar equipment, and a start-up grant of $1,000 in the first year. The exemption for point of sales systems and cash registers will reduce the after-tax cost of such equipment by 20 per cent.

Streamlined accounting methods are being developed for retailers selling taxable and zero-rated products.

Finally, it has been a cruel campaign of misinformation to convince senior citizens that the GST will make their lives more difficult. Quite simply, most senior citizens will be better off under the GST. Like other Canadians with low and modest incomes, the majority of seniors will benefit from the GST credit and from the other provisions of the GST as well.

We have excluded basic groceries from the GST to protect Canadians with low and modest incomes. Meals on Wheels and similar programs offered by charities will not be taxed. There will be no tax on drugs prescribed by physicians. Eyeglasses, contact lenses and hearing aids will all be tax free.

Virtually all health care and dental services will be exempt, as well as most services provided by health care plans.

The GST credit will protect seniors with cheques mailed every three months beginning in December of this year before the tax is implemented.

• (1930)

In summary, the goods and services tax was designed with the needs of seniors very much in mind. Some 84 per cent of seniors will receive the benefit of the goods and services tax credit.

The GST is an essential element to securing the economic future of this country. It is the most fair and effective way to replace a tax that has been blocking economic progress literally for generations. The GST is an expression of our commitment to responsible economic leadership.

Mr. Garth Turner (Halton—Peel): Madam Speaker, I am pleased to enter into the debate on the goods and services tax. As all of us know, our country has changed and evolved greatly over the years.

At the time of Confederation in 1867 we were hewers of wood and drawers of water and relied very heavily on tapping resources. By the mid-1920s the country had changed. Canada was evolving into a manufacturing power and our tax system evolved with it. To show that Canada could tailor a tax system to the times, we brought in a manufacturers' sales tax because we had a manufacturing based economy.

Now we are in the 1990s and things have changed dramatically: we have an economy which is knowledge based, information based, and service based. Although 60 per cent of our economic activity is based on services we do not tax them. We continue to cling to an archaic,

outmoded 1924 manufacturers' sales tax. That is why we are having this debate and that is why tax reform proposals have been put forward by this government.

There are many people in this country who are watching what goes on in this House. They watch one side stand up and say black, and they see the other side stand up and say white. Most people know that it is grey, that the truth lies in between.

I am not going to stand here tonight and cry black. I am not going to blame the debt, the debt and our economic woes on the opposition parties.

In truth, during the 1970s when this country was running astonishing debts we had turbulent economic times. Hindsight is great. I think it is time to stop putting the blame there. By the same token, I am not going to say that the government has done everything perfectly or that the course of debt reduction could not have been faster. I do not think that is relevant. I want to refrain from placing blame, but that does not mean that the Liberals should go unchallenged. It does not mean that Canadians should put up with parliamentarians who scream about their rights, without also telling us about their responsibilities.

For example, the New Democrats have a right to try and disrupt proceedings in this House the way they have done it, but they have a responsibility as well to come up with meaningful alternatives.

The Liberal Party of Canada has a responsibility in this issue. As the Official Opposition in this Chamber it is asking us to scrap the GST. It is asking us just to throw it away.

Any Canadian who is watching this debate should ask themselves: Does the Liberal Party not have the responsibility to tell us what it would do? I have a few questions which Canadians should ask their neighbourhood Liberals.

First, exactly how would the Liberals deal with the country's growing debt and debt problem? What spending would they cut? What taxes would they raise? The Liberals should also tell us how they would deal with over $2 billion in existing federal sales tax which is collected now and is at risk.

The Liberal Party knows that it is at risk, the government knows it is at risk, and we have yet to hear any solutions.

As well, they should ask their neighbourhood Liberals about the debt and the interest on the debt. This year alone $39 billion will be paid in interest on the existing debt. Where is that money going? Most of it is going into the bank accounts of the rich. It is being collected from all taxpayers, lower and middle income people, and being deposited back in the bank accounts of people who own treasury bills and Canada Savings Bonds. This is terrible social policy. Ask the Liberals how they can support that?

Why would the Liberals support a tax system which favours imports over exports? How can they do that? How can they stand there and tell us that they support a system which penalizes Canadian businesses?

Also they should ask their neighbourhood Liberals how they can support an existing tax system which costs businesses billions of dollars? Businesses pay the federal sales tax. The GST will correct that. Businesses will not pay the GST. Ask the Liberals how they can support a tax regime which penalizes businesses?

Ask the Liberals how they can support an existing tax system which has the effect of penalizing not only business and importers but seniors, people on fixed incomes and those the Liberal Party are trying to frighten right now with a campaign of misinformation. The GST credit will make lower income Canadians better off than they are today. Ask your local Liberal how he or she supports that?

Don't Liberals want Canadians to have more protection than exists now against future tax increases? Don't Liberals want Canadians to have a tax in place which is not easily raised, which is unlike the federal sales tax or income taxes that can just go up in a budget? Ask the Liberals why they oppose a visible, up front GST which cannot move unless it is totally debated in this House?

Also ask the Liberals how they can support simply tinkering with the income tax system, when they know that to make any meaningful change in our economic situation would mean income taxes which are massively higher than they are today?

Finally, we have to ask the big question: What is the Liberal alternative? Are the Liberals going to cut spending? If so, what spending? Tell us. Where are they going to cut spending and find the money?

Are they going to print money? Are they going to call the Governor of the Bank of Canada and tell him to fire up the printing presses, that inflation is no problem, that higher interest rates which result are no problem and that higher unemployment is no problem? Let's have a

re-run of the Liberals in the late 1970s, let's have a re-run of 22 per cent mortgage rates, and let's have a re-run of double digit unemployment; that is exactly the Liberal alternative, and it is no alternative.

Or, are the Liberals going to raise taxes and, if they raise taxes, which ones? Do we not have a right to know? Do we not have a right to know from the Official Opposition what exactly it would put in place?

The Liberals are the ones saying: "Scrap the GST. Scrap this tax". They are going from one end of the country to another instilling fear in people, fear of the unknown. What we have to fear most is the *status quo* and gutless inability to move forward with real reform.

Frederick Gardiner once said: "Smile and all the world smiles with you. Tax and you tax alone". If taxing at this point means paying down the mortgage on our children's future, securing our economic strength, making us more competitive, ensuring that we can fund our social programs, our health care and our medicare in the future, and ensuring that Canada goes into the 1990s in better economic health than it has in past decades, then I am willing to stand alone, my colleagues will stand alone, and we will do it for Canada.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Madam Speaker, first of all, I would like to point out something extremely important: I have the honour to be in the House with two pages from the city of Hearst, in my riding. They are Dominique Boucher and Manon Girard.

Some hon. members: Hear, hear.

Mr. Bélair: Thank you. Obviously, they are doing a wonderful job for hon. members and I thank them.

On the subject of Bill C-62, Madam Speaker—

• (1940)

[*English*]

We are indeed assisting the Conservative government's Waterloo. Just like Napoleon's famous pose with his hand inserted mid-chest, the autocratic Conservatives have their hands inserted in each and every Canadian's pockets. It is not enough that personal income tax increased by 22 per cent in the last five years. Now we will be choked with an extra 7 per cent on everything we buy.

Bill C-62 is so flawed that I do not know where to start. It is full of injustices. Last week the hon. Leader of the Opposition indicated in this House, in his question to the Minister of Finance, that a kid selling lemonade on the corner would have to pay the proposed goods and services tax on what he buys, while a millionaire could get his caviare tax-free. Is that justice? Talk about justice and fairness. Talk about a double standard in Canada: one for the rich and one for the poor.

The government is not listening to its electors at all, because the majority of Canadians is opposed to this 7 per cent GST. The Angus Reid group conducted a poll on behalf of the Canadian Federation of Independent Business which showed quite clearly that more than two-thirds of Canadians oppose this tax. The Canadian people clearly see through the Tory veils. This is not tax reform. This is not revenue neutral. This is a Tory tax grab which will reap an extra $4 billion every year. Canadians are going to be taxed from the cradle to the grave.

Talking about a grave, lately there are some funeral directors who are going around trying to sell some packages before the year ends. These sales are directed at senior citizens in particular to enable them to avoid this new tax. This government has instituted a policy of pay now and die later. The Tory tax grab is nation-wide. It will hurt everyone regardless of who, how, what and where.

I would like to focus attention on how it will affect my constituents of Cochrane—Superior. I think the Tories want the northerners to become southerners. They are making life intolerable for the residents of the north to continue their present existence. Practically all incentives have been taken away.

Let me summarize what northern residents can expect in the 1990s as a result of the Tory regime. What a future. Listen to this: unemployment insurance cuts where there are many seasonal employers in single industry towns; with the imposition of the 15 per cent export surtax on softwood lumber, seven mills closed and 2,000 jobs lost; the task force recommendation to eliminate the northern and isolated areas tax benefits; the VIA Rail cuts with no proposed alternatives; the reduction in air service with the loss of the DC-9 service to

Timmins; the high interest rates which are squeezing small businesses; and then they lower the boom with the goods and services tax.

This unfair tax will have dramatic effects on the transportation of fuel and gasoline. May I point out that our gasoline is imported from southern Ontario. May I further point out that residents of my riding pay an extra 20 cents a litre in comparison to those who live in the south.

What is going to be the cost after GST, and who says that there will be no hike in food costs? The price of edible products may not increase, but taxing the transportation of that product will indeed increase the cost. One may argue that this is not a food tax, but in the end the consumer still has to dig a little deeper in his or her pocket.

The facts that I have enumerated are absolutely incredible. This Tory regime is without a doubt out of touch with reality in trying to reduce its debt by this method.

I would like to illustrate one aspect of the plight of northern residents. A task force on tax benefits for northern and isolated areas was mandated by the finance minister on April 29, 1988, to examine the existing criteria for determining eligibility of residents in northern communities.

For northern ridings, including my riding of Cochrane—Superior, the task force recommended that only communities north of the fifty-first latitude be eligible for the tax benefit. As a result, if the report is implemented as recommended, 37 communities in my riding will no longer be made eligible. Consequently $2.5 million will be drained from our economy. What an injustice, if this recommendation ever materializes.

This government should not penalize northerners. We should instead be compensated for living in isolated areas in the north. We must endure a higher cost of living, the harsh climate, and additional transportation costs.

It is estimated that each year the government refunds $200 million for this northern tax benefit. If recommendations are implemented, the government will only have to refund $50 million. This government will be making money on the backs of northerners. As I have stated, to compound this loss of benefits with the proposed goods and services tax will be devastating for northern Ontario.

Please allow me, Madam Speaker, to quote from a letter written in 1983 by the right hon. Prime Minister when he was Leader of the Opposition. The letter is addressed to a school official in northern Quebec, and it states: "For almost 30 years the Progressive Conservative Party has always been in favour of these tax incentives because they encourage people to settle in the north and exploit the richness which profits the rest of our nation".

Why is the Prime Minister reneging on his word today? We are just as much a part of this nation building and growth as any urban region of Canada. Northern Ontario holds four-fifths of the province's natural resources. It contributes much of its wealth to other Canadians and foreign countries by supplying them with extremely valuable forestry and mining products.

Another essential service that will be adversely affected by the new goods and services tax is housing. Last Monday the Canadian Homebuilders Association released some statistics. Its calculations indicated that nationally the price of a typical new house will rise by $3,000 or by 2 per cent. This contrasts with finance's estimates of less than $500 per house. This also contrasts with the Liberals' view that housing is a basic need. Does the government realize how difficult it will be for young Canadians to make their dream of owing their own home come true?

For the last few years the country has been witness to a peaceful co-existence between labour and large industry. The Canadian Labour Congress has recently stated that it will request that salary increases and benefits be greater than the rate of inflation in order to compensate for the loss of revenue caused by the GST. This government should not attempt to reduce its debt at the expense of labour unrest and turmoil in this country. The workers of Canada will not be the scapegoats of government mismanagement of funds. Honest workers will remember for a long time if their take-home pay is reduced by the GST.

Small business persons will not forget the shrinking of their profits because consumers have less buying power. If this government wishes to let Canada slide into a recession, it is doing the right thing in using its majority

to force a GST upon Canadians who adamantly opposed this oppressive tax.

Thank you, Madam Speaker, for giving me the opportunity to voice my feelings and those of my constituents of Cochrane—Superior.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I waited a while to rise in the House when the government finally had the courage to bring forward the goods and services tax proposal.

• (1950)

We found out earlier today how much courage the government has. Government members stand over there on a daily basis during Question Period and pretend that white is black, yellow is green, and purple is blue. They refuse to listen to the Canadian public. They refuse to listen to their own former Conservative supporters in their ridings who have been telling this government over and over again that they do not want this goods and services tax and that this GST is a regressive tax which they simply are not going to accept.

Today the government says that it wants to debate. We heard it when our friends over in the NDP were using crazy tactical and procedural manoeuvres because they did not want to debate the tax and the government kept saying that it wanted the tax debated.

We get to the floor of the House of Commons and as soon as we say "yes, we are ready for debate", the government comes in and says: "Hold it now, we want limited debate. We do not want real debate on this bill. We want to gag Parliament because we know what the public is saying. Perhaps it is going to be just a little too much for our poor back-benchers who are getting ripped apart every time they go home by their constituents knocking on their doors and telling them 'You had better start looking for another job because you have deceived us again'".

Perhaps a few more hours of debate in the House of Commons and the government would find that it is not just one or two members of its back-bench who finally found their backbone and stood up and said what their constituents are saying, that they oppose this goods and services tax. No, the government does not want to hear that. It is called minimizing your losses, decreasing your losses.

What the government wants to do is limit debate on a tax measure to which nearly 80 per cent of the Canadian public, even after the millions of dollars in deceitful propaganda that has been pushed out by this government, still say: "No, we see through the wool that you are trying to pull over our eyes when it comes to the goods and services tax".

We have to go back a little to understand fully the depth of outrage of the average Canadian over what this government has tried to do. Anybody who has any memory left—and that is about the only thing the government has not tried to tax—will remember that last year during the election campaign the chairman of the government's finance committee let something slip. He let it slip that they were to come in with a goods and services tax that was to be a windfall, up to $10 billion in extra revenue. Every Tory minister and senior Tory running in the country was very quick to dissociate themselves from the comments of the hon. member for Mississauga South at that time.

However, during the campaign we heard it again. Every time the New Democratic Party or the Liberal Party put forth a fiscal plan or a spending plan for this country, the government would say: "That's lies. They don't have the money". It said that everything we put up, every promise like day care, the enhanced regional development, everything that the government talked about, was a spending commitment.

I remember the Minister of Finance, poker-face, standing there, looking at the television camera and saying: "We do not make promises. What we have are spending commitments". Of course child care has since been cancelled, but the government stated that everything on which it was to spend the billions of dollars was well within our fiscal framework, that the debt was under control and Canadians need not worry. The Conservative government has the answer: "Elect us and we will set you free. It will be a bright new tomorrow".

The Liberals went across the country and said: "We do not believe you. We think we know what the real Tory agenda is". The real Tory agenda was to get back in office so that they could do a hatchet job on taxpayers' wallets and at the same point in time withdraw all those necessary pieces of national infrastructure and completely gut the universality of certain social programs. That is exactly what they did.

An hon. member: What is your alternative?

Mr. MacDonald (Dartmouth): Our alternative will be an elected Liberal government in 1992. Your alternative is going to be the unemployment line.

These people opposite still think that they are going to be able to get the support of the Canadian electorate. I heard members opposite in their speeches tonight say that everything is going to be rosy, if only the Opposition would stop scaring Canadians. "Trust us", they said. I want to read some selected quotes from the minister opposite who wants us to trust him and his government.

It is a tax grab. According to the Minister of Finance in *The Toronto Star* of October 8, 1988: "The bottom line is that the sales tax will not be used to raise the revenues of the Government of Canada". That is absolutely false.

Again according to the minister on CTV News, Friday, June 19, 1987: "So again what we are trying to do is be, using your word, revenue neutral in the second stage as well." That is absolutely false. He should choke on those words today.

The Minister of Finance in the House of Commons, June 18, 1987: "Sales tax reform will eliminate the hidden tax in the prices consumers pay." That is absolutely false. This government has proposed removing the manufacturers' sales tax and putting a tax on that it is not even prepared to make visible.

Here is another gem from my hon. colleagues opposite which concerns the removal of the personal income surtax. The Minister of Finance in the House of Commons, June 18, 1987: "In addition to the credit when the new sales tax is introduced the personal and corporate income surtaxes will be removed." What they probably meant now that we know is: remove the 3 per cent, make it 5 per cent, lower the base, the threshold, and make it permanent. That is exactly what they did.

Here is another one. The Minister of Finance in the House of Commons on December 16, 1987 indicated: "and the income surtaxes will be removed." Has the man lost his memory, or has the man lost his mind?

The Minister of Finance, responding to a question from the House of Commons finance committee about his promise to remove the surtaxes, said on May 4, 1989: "At this point I would not want to hold that one out."

Finally, they got back in office after they had deceived the Canadian public, and the minister wanted to backtrack on all his earlier protestations that the Liberals and anybody who opposed the deceitful Tory tactics and try to convince the Canadian public that black was white. Now that they are in government, now that they have another term, they turn to the true Tory agenda and that agenda is full of deceit.

Everybody else who has spoken in the House tonight and has been truthful and honest, has been speaking on behalf of 80 per cent of Canadians who have had it right up to here with this government, who have had it right up to here with the nonsense coming from the government benches opposite when it comes to fiscal responsibility.

The minister opposite claims he still has the credibility to be able to convince the Canadian public to buy this pig in a poke. First of all he said that it would be single tiered. Can you imagine? Does he think nobody in Canada can count? I would think that single tiered would mean that the prerequisite would be that there would be one level of government collecting the consumption tax. We find out that that is not the case. We find out that what was really meant was one divided by one, divided in half, which would mean two levels of government because it is not a single tiered tax.

They said that it would be fair and equitable. Yesterday, my hon. colleague from Hamilton asked the Minister of Finance a question on this fairness and equitable issue. She wanted to know if he thought it was fair not to tax caviare but to tax hearing aid batteries for our senior citizens. Boy, that certainly set them into a tizzy on the other side of the House.

He said that it would be revenue neutral. We have heard over and over again from anyone who can use a calculator or can add that this tax is going to be a windfall for the Canadian government. It is going to be an absolute rape of the wallets of consumers right across this country.

The government has often said that the tax must be a simplified tax. It is so simple that last week in the House, when the former Leader of the Opposition read from one of the manuals, one would have an easier time

understanding Greek mythology than the simplified tax system.

This government's attempt to push through a goods and services tax even at 7 per cent is so flawed that the Canadian public is not going to accept it. I ask hon. members opposite to look across at us on this side of the House who have done our jobs and have allowed Canadians to have their say and petition this place with over 600,000 names.

Goodness sakes, hon. members on the government side of the House, go back and talk to your constituents. Perhaps you will find out that your true job is to represent your constituents, not the Tory bosses at the top of your caucus. Go back to your ridings and listen to what the people are saying. Withdraw this tax and maybe a few of you will end up after the next election getting your deposits back.

• (2000)

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Madam Speaker, I am pleased to take part as well in this debate tonight. I have just heard my colleague who was all worked up, who was almost shouting, express her opposition. I would remind her of what one of her colleagues, the hon. member for York Centre said last September about the role of the Opposition in the House of Commons: "The orientation of the Opposition, the tools at its disposal, the expectations of its various support groups, the hallowed rhetoric of tradition is that the Opposition opposes. It was always very rare, exceptional, and even remarkable to obtain help from the Opposition when we were in power and it is true that the system has to run well and succeed without it."

Madam Speaker, from that we can see that the Opposition does not consider whether what we present is sensible or not, whether it is in the interest of Canadians; it just opposes and tries to raise any fear to attract the public's attention and frighten them into objecting.

Remember the free trade debate during the last election campaign and what people tried to have seniors believe. They were told that if free trade passed, their old age pensions were in danger! That is a fine example of demagoguery used in the last election campaign to get votes and make people oppose free trade.

Mr. Milliken: No, no, that's not true!

Mr. Blackburn: Again I see the opposition member telling me, "No, no, it's not true."

But I know, I was in the election campaign and I know what seniors were asking and saying to us, the fears they had because of this demagogy from you, ladies and gentlemen of the Opposition.

An hon. member: That's false.

Mr. Blackburn: Let us get back to tonight's debate, Madam Speaker. Why are we imposing a goods and services tax? What is behind all that? Sixty years ago, we were among the first industrialized countries to impose a tax on manufacturing. Today, Madam Speaker, this tax brings us $18 billion a year in revenue.

So why do we want to change the system? Why would we do that?

Here are some reasons, Madam Speaker. Today, unlike 60 years ago, nearly 52 countries in the world have the same tax that we want to implement ourselves. While we were the first 60 years ago, today we are among the last industrialized countries to do so.

And I will name some of those countries for you, since my colleague opposite does not quite seem to believe it: South Africa, West Germany, Chile, Korea, Costa Rica, Japan, Italy, New Zealand, the United Kingdom, Taiwan, Sweden—they are all countries, and I could list 52 different countries, that have such a goods and services tax.

So why are we doing it, Madam Speaker? First, when we get a product now from, say, the United States, when we import some product and it arrives on our shelves here, compared to one of our own products— We will for example. Take a bicycle, Madam Speaker. I do not know if my colleague has young children, but we still have some young children at home and they buy bicycles, or at least I have to help them because I try to get them to contribute to what they buy. So a bike made here in Canada costs about $50 to produce. Once you add all the promotion and advertising costs and the various services along the way, the same bicycle costs $75 at the wholesale level. Then we impose our famous 13.5 per cent tax. If the same bike comes from the United States, it costs $50 at the border and we also tax it. This means that compared to the bicycle from the United States, ours costs more, more than what we import from other countries. This makes Canadian products less competitive on the market. As consumers, people are all alike. If

you want an item that sells for $75 or $80 and the one next to it sells for $70, which one are you going to buy? All other things being equal, the cheapest one, of course. And that is what is happening with our manufacturers' sales tax. We want to bring the tax down to the retail level, so that when goods arrive on the shelves, they are priced on the same basis, since the tax levied at the manufacturing stage will cease to exist.

That being said, Madam Speaker, why will this tax be applied to both goods and services? Obviously, the net result will be to provide additional revenues for the government. Canadians are being asked to help manage the debt, and you know what the debt situation is today! Our cumulative debt is now $350 billion. The daily interest charges alone cost us $100 million. With three days, worth of interest payments you can build a highway from the Saguenay to Quebec City. That is an indication of our present situation and why it is necessary to make these changes.

However, letting people help manage the debt is not the only reason. There is also the regulatory aspect. Did you know, Madam Speaker, that the present tax involves 22,000 different regulations? Imagine what is involved with 22,000 different regulations and interpretations to administer the existing tax! Some housecleaning is in order, and that is what we are doing with the proposed goods and services tax.

I repeat, there are two aspects to consider: first, we are adjusting to the competition, so that our goods will be on the same footing as imported goods. Second, we are helping to manage the debt. And third, it should make our economy more competitive and also help our businesses.

What happens when our products are more competitive on the market? Automatically, sales go up. If you increase sales, what does it do for production? When a manufacturer increases sales, he automatically increases production, which creates jobs. Your economy becomes more competitive and you are able to increase economic activity.

Now, what is being done to protect the neediest in this country? There will be a tax credit of $190 per adult and $100 per child, the net result being that people will pay less than they are paying now. They will get this tax credit before the GST is implemented, so they will receive the cheque next December, although the tax will not be introduced until January.

Madam Speaker, how will all this affect our daily lives? Suppose we take a look at specific items, like cars, for instance. It is estimated that people who buy a car worth $15,000 will pay about 5 per cent less under the new GST, because they will be paying 7 per cent instead of 13.5 per cent. There are people who wonder how you can tell whether dealers have subtracted the 13.5 per cent instead of just adding the 7 per cent to 13.5. These people don't know much about business! I was trained in the business world. For ten years I was CEO of the Racine Business Centre Corporation in downtown Chicoutimi and, believe me, merchants always try to get the best possible price so they can sell more than the guy next door. And that's the truth. It is a rule of business that will not change because competition is the very basis of our economic system.

If you have a chance to sell more, cheaply than your competitor, of course you are going make more money. Anyone can understand that. Unfortunately, you people don't seem to realize how a market economy works, what economies of scale mean, and how business people operate.

That being said, Madam Speaker, I know the goods and services tax is not popular. We don't particularly enjoy asking for, or considering, a new goods and services tax, especially when we see the negative attitude of the opposition to the proposed tax. However, thanks to our economic renewal strategy, introduced in 1984, our tax reform, and the economic activity this has attracted to the country, we have now reached the stage where we must ensure that our goods become more competitive.

• (2010)

Madam Speaker, as a government we are also doing our share. We have cut spending by $700 million, keeping in step with Canadians who are helping to control our national debt to ensure that our country's economy improves.

I see, Madam Speaker, that I will have to pick up speed since I only have a few moments left.

No, the tax is not popular. However, we have to do it. We have a responsibility to introduce this tax. It is in the best interests of Canadians to ensure that our economy becomes more competitive and that our domestic goods are not more expensive then the ones we import, which is the case now because of our 13.5 per cent tax. I repeat: we are going from a 13.5 per cent tax to a 7 per cent tax.

[*English*]

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, thank you for the privilege of being able to put my comments on the public record tonight for the benefit of our colleagues in the House, for my constituents and for other Canadians who might be watching this evening.

I want to say that Canadians do make choices when they elect political parties and those choices have consequences in the governance of the nation. Because we are a democracy like so many other countries of the world are trying to become, Canadians will always have the right, as they will in 1992 to 1993, to assess the consequences of our decisions as a government.

I want it firmly on the record that I am proud of this goods and services tax and I am proud of the economic record that we have put in place as a government. I have no hesitation and will be proud to go to the doors in the next campaign to argue for re-election.

There are many other issues that I would like to talk about as to why I am proud of the PC record over this last five years. There is competition policy, transportation policy, international trade rules, privatization and the rights to intellectual property. Our professors and our authors and our artists did not have protection before, Madam Speaker, as they do today. That has been a major advance in our country.

The opposition parties have opposed all of these major policy thrusts. I understand that. Sometimes they oppose for ideological reasons, for others they oppose simply because they are in opposition. We used to do that too. We used to have lots of fun, playing with the rules and trying to stall things, delay the House and delay the government. I understand that. Parties do have different views.

Tonight I want to talk about the GST and how it fits into the broader context. We really have to understand our history to know whether we are on the right track or whether the nation needs the action that we are taking right now.

You remember 1968, Madam Speaker, when Canadians made a major choice. They chose Prime Minister Trudeau and his Liberal government and they shifted dramatically the way this country was governed. We moved to larger governments. There was a major move to nationalization of our industries, a major move to subsidizing industries that were no longer competitive, even within the country, let alone within North American and around the world. The Liberals subsidized those and we got into huge debts, thereby resorting to turning on the printing press.

By 1972 we recognized there was a problem and Mr. Stanfield said that we needed to have price and wage controls for a period of four months to get the economy under control. The Liberal Party said no, and Canadians chose the Liberals. By 1974 we were in very deep trouble.

Again, in 1979, Canadians knew there was something wrong with the economy. They chose the right hon. member for Yellowhead. In the first budget under Mr. Crosbie, Canadians again were faced with a choice. At that time the yearly debt was $12 billion and the national debt was $72 billion. We had a solution for that. It involved an 18 cent tax, but the Liberals said, no, and there was an election which they won.

We all know that it was 30 cents within a few months but nonetheless Canadians made those choices. As a result, four years after that, in 1984, the yearly debt that was $12 billion had increased to $38 billion, that is a yearly debt.

The national debt had gone from $72 billion to over $200 billion, so Canadians knew they were really into the soup and they changed from the model of the Liberal party of then, which was more government, more nationalizations, higher debts, and more use of the printing press.

We came to power under the Prime Minister and the Minister of Finance and over the last five years we have had a major change in economic policy. It involved a mix of cuts in government that is now back to the size it was in 1973; privatization of over 18 Crown corporations, 17 of which are doing a whole lot better and are now

employing people, paying more income taxes, rather than getting taxpayers, money.

I remember sitting in this House every year having to allocate $300 million or $400 million for deHavilland, Canadair and the other 17 Crown corporations.

We did change but there was one thing we decided we would not do and that was to turn to the printing press. When you are solving problems you increase taxes, you cut programs or you turn on the printing press. When a government turns to the printing press, as the Liberals did, it always leads to inflation which, in turn, leads to the high interest rates and collapse. It is the printing press that people have to be worried about.

Again, we made choices and we made predictions. The government prediction was that there would be jobs, jobs, jobs. I can remember the NDP members standing up and saying that our economic policy would cost 100,000 jobs in the first year. The Liberals said the economic policy would cost 150,000 jobs in the first year. They were simply wrong. Had Canadians chosen the Liberals to continue the past policy, there would have been 150,000 jobs lost. They chose us instead, and over 1.5 million jobs have been created. For the first four years 1,000 Canadians every day went off to work for the first time. It is absolutely amazing. The opposition was wrong and we were right.

Let us now go to the goods and services tax. Again, we must consider it in the context of its history. Today we have a manufacturers' sales tax through which some 75,000 firms, with 22,000 special arrangements, nonetheless pay $18 billion. Canadians are paying that tax. It is hidden. They do not know it. It totally distorts our local manufacturing industry so that our exports cost more. It is cheaper for people to buy imports than to buy our own manufacturing. Everyone has agreed, including the two opposition parties, that that tax has to go.

Prior to 1984, there was no manufacturers' sales tax credit for low-income Canadians. We brought that in. I am very proud of that. Under the GST it is enriched even further. Canadians need to understand that the real reason our friends on the opposite side of this House are opposed to the GST is that 8.9 million Canadians, if they make under $30,000, will get, four times a year, their entire tax back in spades. They never got that when the Liberals and NDP were running this country. They will be better off.

We are the only country in the world that has the manufacturers' sales tax. Forty-eight major western competitors have moved from the manufacturers' sales tax that you cannot deduct under the GATT agreement to a goods and services or value-added tax that can be deducted from exports. For very good reasons, 48 of our competitors have moved to that tax. We have not. As in so many other things, we should have done this 5 or 10 years ago, but those parties were not prepared to face up to it and take a leadership position. We have. Just as Mr. Stanfield provided leadership in 1972, the member for Yellowhead in 1979 and the Prime Minister in 1984, I am proud to be associated with a party that will stand up and tell Canadians what the situation really is. They will judge us in 1992. I am confident that we can carry their judgment at that time.

• (2020)

Mr. John Harvard (Winnipeg St. James): Madam Speaker, after listening to the hon. gentleman across the way, I would like to observe that Lethbridge is famous for its wind, but I do not think it has any place in this Chamber. Take it back where it was.

In the past few weeks I have travelled this country. I have gone to GST rallies, I have talked to people on the street, I have met with them in the coffee shops. I am concerned about what I hear and what I see because never before have I witnessed the level of frustration that Canadians are showing with respect to the GST. Never before have I witnessed that level of resentment, level of anger and level of hostility.

It is not just because they hate this tax, it is not just because they see it as a tax gouge, and it is not just because they see it as a regressive tax, it is the way they are being treated by this government in the process, by the way we are debating the GST. What have we and Canadians been getting from this government in this debate that has been going on for the last few weeks? Insult, upon insult, upon insult.

The Tories will not listen, they will not explain, and they will not come to meetings except in the case last night of Brandon, Manitoba, when Lee Clark came. He showed some courage and Canadians told him exactly—

Mrs. Dobbie: Madam Speaker, I think the hon. member knows that it is against the rules and the conventions of this House to mention the member by name.

[*Translation*]

The Acting Speaker (Mrs. Duplessis): I would ask the hon. member for Winnipeg St. James to observe the Standing Orders of the House. The hon. member may proceed.

[*English*]

Mr. Harvard: Madam Speaker, I hope that is not taken out of my time.

I find it passing strange that the member for Winnipeg South would notice some little subtle regulation inside the Chamber but she will not listen to the Canadian people. She will not listen to her own constituents. She will not listen to her voters. She is more concerned about some little rule in this Chamber which I, by the way, respect, than she is for her own constituents. I say shame on her. She does not have her priorities right.

All we are getting are insults from this government. Its members will not come to meetings. The government will not compromise, it will not listen, and it will not reconsider. The worst insult of all is that we are told it will invoke closure to cut off debate because it has heard it all.

Well I can tell you, the truth of the matter is that those people across there do not like the truth because they do hear the people out there and they do not like what they hear. They know that what they have done here is wrong but they do not have the guts or the humility to stand up and say that they were wrong and will change their course.

The government has insulted all Canadians with this implementation of closure. It is contempt for Parliament and contempt for the Canadian people. In an issue as critical as this, this is the way those members treat Parliament. What a way to treat ordinary Canadians and what a way to treat taxpayers who, after all, pay your wages and pay your salaries. This is what they get in return. Canadians are frustrated and angry and they are not going to take it any more.

You know, I fear for my country and it is not just because the way things have unfolded with respect to the GST.

Wherever we look around this country the Tories are mismanaging. They are managing to somehow just tear the country apart, not only tear it apart but dismantle some of the old institutions and some of the old programs that have served this country so well. They have decimated VIA Rail, they have taken away a part of old age pensions from pensioners who worked hard for years. They have done it through this thing they call the "clawback", which is just a way of destroying universality.

They have privatized unemployment insurance. They have sabotaged the supply-management system in the agricultural community. They are closing down rural Canada. They have wrecked the fishing industry in Atlantic Canada. Where is their mandate? Where is their mandate to do all these things that they have done? They do not have the mandate.

If they had any intestinal fortitude they would go to the people. They would call an election and find out what people would say. I know exactly what Canadians would say. They would say: "Down with you. Out with you. Off with you rogues and scoundrels!"

The behaviour of this government and its members since they were re-elected in the fall of 1988 has been nothing short of contemptible. They have had contempt for the institutions of this country, contempt for Parliament and contempt for Canadians.

Let me talk about one aspect of the GST. We all know that it is a tax grab and that it is going to be an extraordinary cash cow. In addition, there is an enormous tax concession to manufacturers in this country.

Today manufacturers are paying roughly $18.5 billion in the manufacturers' sales tax. That is a lot of money. When the GST comes in they will not have to pay the MST any more. What will they do with that windfall of $18.5 billion? Are they going to lower their prices accordingly? Are they going to pass the savings along to the consumers?

If there are people in this Chamber who believe that, I have swamp land in Florida for them. I have a deal that will knock their socks off.

Of course, they are not going to pass along those savings. Let me raise, in evidence, just a couple of points. About nine or ten years ago Jean Chrétien, when he was the Minister of Finance, lowered the manufacturers' sales tax three points. Did we see a lowering of prices? Not on your life. Somebody took the money and put it in their pockets.

Ever since free trade came in a little over a year ago some tariffs have come down. I defy anybody, particularly those people across the way, to identify lower consumer prices as a result of the trade agreement and as a result of lower tariffs. It has not happened because people have just taken the difference and put it in their pockets. It is just human nature.

We will wind up paying the goods and services tax on top of a price as if the manufacturers' sales tax is still there. In effect, in some provinces except the province of Alberta, it will be like paying three sales taxes. We will pay the old MST; we will pay the new GST; and, of course, we will pay the provincial sales tax.

Let me just finish by saying this. We can count on this side. All it takes is about 20 of those members opposite to show that they have some humility and can admit that they were wrong. Vote against the GST. Listen to Canadians because that is what Canadians are saying. They do not want this tax. They want just 20 Conservatives to show that they have the gumption, to show that they have the fortitude and to show that they have the honesty to change their minds and defeat this tax.

• (2030)

Mr. Jim Peterson (Willowdale): Mr. Speaker, in the brief time available to me tonight I want to touch on three issues in this goods and services tax which impact directly, sharply, harshly and unfairly on the people of my riding of Willowdale.

The first of these issues relates to purchasers of new homes. I read to you the promise of the Minister of Finance to the President of the Canadian Homebuilders Association, in writing, by letter dated November, 1989. He said: "We will attempt to ensure that there is no negative impact on affordable housing from sales tax reform".

In the 1989 budget speech the minister made a further promise to Canadians. He said: "The new system will not pose a barrier to the affordability of housing". Let us examine the facts.

Mr. Kempling: What about the lot levy that your brother put in. Tell us about that.

Mr. Peterson: Mr. Speaker, the jackals are yapping and, with your permission, I would like to continue. I will come to the member's point later.

According to the Minister of Finance the cost of the average house across Canada will go up only $500 because of this goods and services tax. However, the Canadian Homebuilders Association has shown in its calculations that the price of the average home in Canada is going to go up by $3,000.

Land is being taxed and so what is going to happen in Toronto where land prices are higher? The minister told us that the price of a house in Toronto would go up by $4,450 under his tax.

Mr. Kempling: Ten thousand dollar lot levy.

Mr. Peterson: The facts, according to the Canadian Homebuilders Association, are that the price of a home in Toronto is going to go up by over $9,000. That does not take into consideration the 7 per cent tax being imposed on the lawyers' fees, the registry fees, the survey fees and the mortgage fees, all of which are costs to the home owner when buying a home.

That is looking at the price of an average home in Toronto. Some homes are selling today in North York for over $500,000 and $600,000. On such homes that increase is going to be far more than $10,000. This is not fair because home owners are not getting the same break right across Canada. This is why this tax, on fairness alone, must be defeated.

Now I want to look at small businesses. In Willowdale there are approximately 1,600 small businesses. With this tax there is going to be an increased administrative burden. Even the member for Burlington, who knows business, knows this.

The retailer is going to have to make some very difficult decisions when someone comes in and buys a particular item. Is it taxable provincially, is it taxable federally, is it not taxable federally, or is it not taxable under both of them? You are going to have to set up a

computer system or else do it manually, and in either case you can make mistakes, mistakes for which you will have to pay penalties.

If you think it is going to be easy, listen to this: yogurt is taxed but a carton of yogurt is not taxed; doughnuts are taxed, bagels are not taxed; muffins are taxed, crackers and raisin bread are not taxed. Maybe that is a simple calculation for people as brilliant as those sitting over there to make, but the 1,600 small shopkeepers in Willowdale realize they are going to have an administrative burden.

The Canadian Federation of Independent Business has estimated that the administrative costs that are going to be borne by small businesses in Canada as a result of this new tax are going to be $1.9 billion. What is worse, small businesses are going to have trouble coping with the paperwork and the calculations every month. They are going to have to hire accountants and lawyers to help them cope with this burden and they pay the 7 per cent tax on the fees of these professionals. The big corporations have in-house counsel and in-house accountants and they do not have to pay the goods and services tax on those salaries. It is unfair again to the small business person.

There is another aspect of this tax which is very unfair to our small businesses that are close to the United States border. The United States does not have a goods and services tax. In the first 11 months of 1989 there were 39.6 million day trips taken by Canadians to the United States and back. They made purchases.

We know the problem in enforcing this GST at the border on people returning from the United States. How do you impose the GST on a tank of gas in a person's car? The border states south of Canada are building new shopping centres in anticipation of this tax driving up even further the disadvantages that we have in competing with some American merchandisers. If our small businesses think they are going to get off scot-free and benefit from this tax, they are wrong.

In the short time remaining to me I would like to talk about low and middle-income Canadians. The minister has stood in his place day after day and given us figures on how the GST is going to benefit low-income Canadians. We know that this is just not the case. We have the figures. Look at the record of this government. As a result of the taxes imposed since 1984 when the Liberals were last in office, projecting ahead and showing the GST coming into effect in 1991, the taxes of a working poor family with an income of $20,000 will have increased by 370 per cent.

The taxes of a middle-income family with an income of $49,000, under this Tory government, will have gone up fully 17 per cent.

The taxes of an upper income family, earning $123,000 a year, under this Tory regime from 1984 to 1991, will have gone down 6.4 per cent. This is their concept of fairness; raising taxes on the backs of the poor and middle-income Canadians and lowering them for the high-income Canadians.

On top of that, let us look at what the government is doing to our senior citizens in terms of the clawback of old age security. How unfair this tax is. Even the way they are administering it is unfair. If you are a one-income family of seniors earning more than $50,000 you get the clawback. If you are a two-income family you can make up to $100,000 and not have any clawback whatsoever. It discriminates incredibly against single seniors. This clawback takes away from seniors who have been frugal during their lives and saved their money. If they saved a bit of their money and put it away in anticipation of contributing to their secure and dignified retirement, this government claws it back. It is saying, "Forget about saving in the future, just spend it. We will give you your old age security and we will not claw it back because you will not have any money over $50,000. Don't save, don't be frugal."

The people of Willowdale are not amused by this tax. They are not deceived by the promises that are made because they know they have been broken. They are fed up with this goods and services tax. They will indicate their displeasure at the ballot box.

• (2040)

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very perplexed and I am concerned by the debate on the goods and services tax that we have been hearing here in this House.

Not only that, Mr. Speaker, I am disappointed. I am disappointed in the hon. members on the other side of the House. Every time one of those hon. members rises I have an expectation built up within me. I look forward to receiving some intelligent criticism, some criticism that

will help us address the flaws in the tax if, indeed, there are any flaws.

I am afraid that I have to assume that there are no flaws because all I get from the members opposite who stand up is empty rhetoric, groundless attacks on the government and general disapproval of the GST, but absolutely no substantiated reasons for this disapproval. I guess there is a good reason for that because, in fact, there is no substantive reason to reject the goods and services tax, and the hon. members know that.

The fact is that the goods and services tax favours the poor and the lower income earner and protects the lower middle income earner through the rebate system, as my hon. friends know.

Those at the bottom of the income scale will actually gain from the goods and services tax because the basic necessities of life; food, shelter, health care goods and education will not be taxed. The poor, who spend proportionately more of their incomes on the necessities, particularly groceries and rent, will pay very little GST because of that. Because of this I find that the GST is an extremely progressive tax.

Surely the goods and services tax is a realistic measure that offers a realistic alternative to the current unfair, unrealistic and punitive manufacturers' sales tax which undermines the ability of Canadians to compete in the international marketplace.

I am not the only one who believes that this is so. In fact, *The Financial Post* calls the GST, the goods and services tax, a "generally sensible tax". Informed Canadians, Canadians who understand the tax system and those who have examined the goods and services tax, agree with that assessment. This is a generally sensible tax.

There is no doubt that a change in the system requires adjustment. All change does, that is the nature of change. But if Canada is to position itself to enter this decade and proceed into the next century as a major player on the world stage, that change is absolutely vital.

Fifty-two countries, as a matter of fact three in the past year, have instituted a tax system similar to the GST. In fact, in 1989-90 countries like Iceland, Japan and Norway, which have adopted the value added tax system, have joined other countries like France, Korea, Sweden, the United Kingdom, West Germany, and a whole host of others in this kind of tax system.

Why, given those facts, would Canada want to remain outside a major trend affecting our international trading position? Why would we not want to be in the forefront of successful trading nations, and why would Canada not want to adopt a financial policy that would free up personal choice and allow its citizens to choose their time and place of tax contribution, because that is what the GST does.

We have heard a great deal about the goods and services tax in business over the past while. I have to say that as a business person I understand the fears and concerns that we frequently hear expressed. Business hates change, it only likes change that it can personally manage and direct and I think that that is absolutely appropriate and correct. Business, naturally, is always very suspicious of government.

This is one time when business will be the winner, when those fears will have absolutely no foundation. Small business especially will be the winner in this tax.

Last week we saw the Leader of the Opposition, who left the House today, stand up, and perhaps in a swan song, make a very eloquent intervention about a 7-year-old lemonade stand operator who, he said, with great oratorical effect, the GST would absolutely ruin. He said the GST would weigh heavily upon his budding entrepreneurial spirit.

Well, he got himself a headline, but I have to say that he was absolutely dead wrong in his facts. Unless that 7-year-old was a business genius who made over $30,000 a year, he would not even be included in the GST system; nor will music teachers, skating coaches, seamstresses, handymen, baby-sitters, student printers, or anybody else running a business with sales under $30,000 a year. They simply will not be included in this system.

Most small businesses will actually benefit in terms of cash flow, and that is important. For example, let us take printers, an industry I know well. Currently they collect and remit federal sales tax at 13.5 per cent, plus whatever applicable provincial sales tax is in place in their province. I should say that they remit and collect because what actually happens is they remit the tax and then they have to wait to collect it with their bills whenever the money comes in. All the while they are carrying the additional burden of the federal sales tax

they have paid in the inputs used to print the job in the first place.

Once the GST is in place they can choose to report monthly, quarterly or annually, depending on their sales volume, and all they have to do is remit the difference between what they paid out in tax on their purchases and what they invoiced in that reporting period. That can free up thousands of dollars in cash to support vital day to day operations. That is important to small business.

By the way, the tax they paid on absolutely everything they use in running their business is considered as an input and will be rebated. That includes telephone, stationery and even their cleaning supplies.

The bookkeeping will be minimal. It will be only one sheet, which is what manufacturers use now.

For years I have attended meetings with business leaders where they absolutely begged to be relieved of the unfair manufacturers' sales tax. I am very proud to be a part of a government which has the vision and the good sense to respond to those requests.

The GST is a generally sensible tax. I support it all the way. It is the right move for Canadians and it is the right step for Canada in the 1990s.

Mr. Milliken: Mr. Speaker, I rise on a point of order. The hon. member for Winnipeg South was making a lovely speech. She has made a speech that I am sure would have charmed the ears of the cabinet, had any of them been here to hear it.

This is a government bill for which cabinet is responsible to this House. They should be here listening to this speech. At least one minister should be in this House.

The Acting Speaker (Mr. Paproski): That is not a point of order. The hon. member for Fredericton—York—Sunbury.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I would like to add my words of support for the goods and services tax program. I hope that my hon. colleagues across the way will listen. I do not think they really want to hear the story about the goods and services tax.

Mr. Peterson: Yes, we were afraid that the minister didn't want to hear it.

Mr. Bird: I think the hon. member across the way is bereft and bankrupt of ideas with regard to the goods and services tax. It is interesting to hear that stale old phrase that came from their leader and has been coming from their financial critic for several months, that the only solution to the goods and services tax that they have is to go back to the drawing boards. I would like to know what that really means. It is just amazing to me—

Mr. Peterson: It means it's the worst tax we've ever seen and Canadians know it.

Mr. Bird: I would like to hear the member offer an alternative. If it is such a bad tax, then the hon. member should be able to provide an alternative. He was certainly put in his place the other day when it was demonstrated so clearly that he had changed his view about taxation being a quick fix. His view of economics has changed dramatically in the past several years. *Hansard* is quite a record of the truth.

• (2050)

Nobody likes taxes, that is clear. I share the view of the Minister of Finance and most of the members of this House that it would be great if we could avoid tax measures. It certainly would be more comfortable. Yet we cannot take our responsibilities seriously unless we deal with the need to raise revenues to pay our way. We cannot ignore the realities of Canada's financial position. The Liberals created it over the years. The hon. member across the way had a great deal to do with that and I do not blame him for being ashamed of that and being unwilling to address it. But now, without alternatives, there is no responsible measure that a government can take except to address it.

I must say, to the credit of the New Democratic Party, although their socialist ideas will not work, that at least they had a few ideas and that should be embarrassing enough to the so-called Official Opposition.

I am convinced beyond any doubt that the goods and services tax measure is a responsible, necessary, fair and reasonable program to meet the needs of the Canadian taxpayers and the needs of the Canadian economy in the years ahead. While I understand public concern and opposition to the goods and services tax, it is complex, it is new, it is transitional—

Mr. Milliken: The public does understand.

Mr. Bird: Why don't you just listen?

Mr. Milliken: We are.

Mr. Bird: You are all noise and no substance and in months of debate you have not come up with one single idea. Mind you, there is no chance of you ever having to deal with this subject because you are not going to be in a position of responsibility for years to come. I think most Canadians, when they dwell on that, will say, thank goodness.

The GST program is complex and it is new and it is going to be a difficult transition for many companies and for many people. There has been a great deal of misrepresentation. I would venture to say that the Official Opposition is really not exercising integrity when it addresses some of the details of this program to Canadians, but I am convinced that it is a program that will be very worthwhile for Canadians.

I speak as one who has come from a business background. I have dealt with the federal sales tax extensively. Fortunately, the company that I owned and operated had a federal sales tax wholesale licence. We were one of those 17,000 variations in the existing federal sales tax plan and were favoured because we did not have to invest in the tax when we purchased our inventory. The licence exempted us from the tax.

Most of the wholesalers, and certainly all of the retailers, in Canada who buy taxable goods have to carry that tax in their inventories. As the Minister of Finance said the other day, on January 1, 1991, there will be a $2 billion cash flow relief to Canadian business spread broadly. That is a very significant item that the Liberals and the NDP have omitted entirely from their presentations. Just imagine a $2 billion relief in the financing of the federal sales tax by Canadian business.

I think the Canadian Federation of Independent Business could well make that point to their members because there is going to be considerable relief, more than enough to pay their fees in the Canadian Independent Business Organization and others.

This is a program that 48 countries of the world have adopted. A value—added tax was recommended by the OECD and the International Monetary Fund as the right direction for the tax strategy, the tax program in this country. The two members opposite are constantly out of order because they cannot get their minds in order as to what really is going on here.

Here we have a government that finally is addressing, with courage, with intelligence and with conviction, the needs of the Canadian economy and these two sit over here and cat call and mimic and make jokes. But what are their alternatives, I ask the hon. member for Willowdale and the hon. member for Kingston. Back to the drawing boards. I think they are all frustrated architects to tell you the truth. Back to the drawing boards. What does that mean? What a stale old way. I say, thank goodness for the Minister of Finance and the government of this country for the courage that it has to move forward with a program such as this, a program that is fair.

I would like to speak for a few minutes, Mr. Speaker, and I hope you are not going to deduct from my time, the catcalls over there. Otherwise, I would have to sit down while you brought them to order. That would not be difficult for you.

In any event this tax is not an extraordinary or an arbitrary measure that is imposed upon Canadians, as the hon. members would have us believe. This is a program to replace an existing tax that will eliminate $18.5 billion in the existing federal sales tax program. As I said, it will relieve inventories of Canadian companies of $2 billion in investment. It will provide new tax credits for low–income Canadians. Every Canadian family making less than $30,000 will be better off as a result of this tax program than they are now. That will affect almost nine million Canadian families.

In eliminating the manufacturers' sales tax a lot of smoke and mirrors have been raised by the opposition trying to persuade Canadians that they will not see the elimination of the federal sales tax. I want to tell you that Canadian consumers are diligent, competitive shoppers. They know how to make the private enterprise system work in this country, and they will see that tax relief because they will make sure to ask their merchants, their car dealers, their furniture dealers, and their hardware store dealers what the price was in December and what the price is now. They will see that difference, because the consumers of this country are not out to lunch like some of the poor unfortunates on the opposition benches who have such dreary lives. No wonder they can think of nothing more than, "back to the drawing board".

The inventory rebates to Canadian business that I mentioned are very significant. I would say sufficiently so that most small businesses who contemplate the relief that they will receive will quickly change their opposition to this program to support. As my colleague, the hon. member from Winnipeg, said just recently—she has some familiarity with the printing business—the printing business is one place one will see the application of the

existing federal sales tax very clearly now. If one goes to purchase wedding invitations from a local printer, for example, one will see an 11.5 per cent tax added on, or 13.5. It used to be 11 per cent for most of my years in business. That 13.5 per cent will be eliminated.

The goods and services tax credit will have real meaning for almost nine million Canadians. Let us look at the practical impact. The Leader of the New Democratic Party said the other day that because low-income Canadians will be spending so much of their disposable income on taxable items, it will be an undue hardship. That was a misrepresentation, because the facts are that low-income Canadians spend most of their incomes on groceries, on rent, on the kinds of necessities of life that will be exempt.

Low-income Canadians will benefit greatly from this program. All families making less than $30,000 a year will receive tax credits quarterly, commencing late in December of this year or January 1 at the latest. These tax credits will be in the form of cheques, month after month after month. For example, a family of four, making less than $20,000 net income, will receive tax credits of $580 per year or $145 per quarter.

The goods and services tax program is one important pillar in rebuilding Canada's financial structure. It goes with the restraints which have been placed on government spending of 3.5 per cent rate of growth per year in the last five years, less than the national inflation average. It goes with income tax reforms, where 85 per cent of Canadians have seen their individual income tax bills go down. It will go with the job creation programs of this government. It will go with the free trade agreement which has set us off in basic new directions for economic growth in the future. It will go with the reductions in the size of government. The Public Service in this country is now at 1973 levels. What other institution in Canada could make the claim that it is down to levels of 16 years ago in terms of person years and employee overhead. Canada is on a mission toward financial integrity, indeed toward financial sovereignty. I would like to take a moment and make reference to what the alternatives would be if we were not taking these kinds of measures. I have a little book that I suggest the opposition read. It is called *The Hyperinflation Survival Guide for Business*. It talks about what happened when hyperinflation struck South American countries such as Bolivia, Argentina and Brazil.

• (2100)

This did not happen many, many years ago. It happened in the 1980s. In 1985 Bolivia reached inflation levels of 50,000 per cent annualized, if you can believe it. Its tax revenues covered just 15 per cent of government expenditures. Argentina's debt reached 11 per cent of its Gross Domestic Product, resulting in an annual inflation rate of 1,000 per cent. Imagine, that was in 1985, only five years ago. In 1988, less than three years ago, after three consecutive years of increasing its money supply by over 300 per cent, while amassing a debt equal to one-third of its Gross Domestic Product, Brazil had nearly 1,000 per cent inflation.

I would like to read the conclusion drawn from those studies in this book. The conclusion is this. First, it will not take triple-digit inflation to wreak havoc on the Canadian economy. A sudden acceleration into the teens or the twenties would be sufficient to alter our personal or corporate lifestyles in very dramatic ways. An inflationary scope of this nature is possible given the circumstances that we are in.

I would like to conclude with this final remark. If there is one overriding lesson from the South American experience, it is that governments cannot indefinitely continue to spend beyond their means without suffering terrible economic consequences. I believe that the goods and services tax is part of a program towards the financial integrity of this country and deserves support. It deserves the support of every member. It is an example of the financial integrity of this government and this country. It is an example of a nation prepared to start living within its means.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I am very pleased to have an opportunity to make a brief speech against this iniquitous, destructive goods and services tax.

I am not going to cover the great range of solid criticism that has been made and will be made during the rest of this evening by my colleagues. I want to concentrate on one point that I believe needs more attention. That is that the goods and services tax is, among other things, a plan to shift power from one group in society to another. It is a plan to shift economic power from working people to owners. In other words, it is class

legislation. It benefits the class of capitalists, those who live by what they own and it takes away from the class of workers, those who live by the work they do.

Some people are shocked at the talk of "class". What is shocking is not the word. When we use the word in economics some people get all upset. If we use the word in school, of course it is perfectly normal. What is wrong is not the word, but the actuality that it refers to. What is wrong is the act of taking power away from the great majority, the working people of this country, and giving it to those who already have more than they need or know how to use well.

This is not just the opinion voiced in certain left-wing circles. Six years ago these words were said in Canada by a visitor: "The needs of the poor have priority over the wants of the rich. The rights of workers are more important than the maximization of profits. The participation of marginalized groups has precedence over the system that excludes them." This was said in Canada in 1984 by Pope John Paul II. I think he was quite right on that, no matter who else may have said things like that.

The goods and services tax is a tax on value added. That is, of course, the emphatic doctrine of the Minister of Finance and it is quite a clear description of it. It taxes the only sources of wages and current profit. That is value added. But it does not tax the accumulated wealth that determines which of that value added goes to the capitalist and which of that value added goes to the workers.

It is being done because the governing philosophy of the eighties, which started well before this government, has been that to get more production, more or better goods and more value in goods produced, it is necessary to pay workers less than to pay owners more. That is what this tax does.

It is not a successful program. We can see it particularly with our neighbour to the south, where the great increase of profits is not producing more goods or services or a higher quality of goods and services. It is producing corporate cannibalism. What is happening there is a frenzy of buy-outs.

We have just seen a Canadian entrepreneur who made fortunes out of overpricing housing in Ottawa and Toronto. He went to the United States, tried to buy out two big chains and fell flat on his face. The fact is that these sales of junk bonds and tax credits and all these leverage buy-out tricks do not create more jobs, they usually create less jobs. They do not create more goods or more quality. In fact, they create chaos.

What is really serious about this crazy buy-out business is that it establishes the philosophy that it is good to have money, it is bad not to have money, not because you can do things with the money, but because anybody with money is considered to be a hero. The people with little or no money are considered drones, according to the former Imperial Oil president, and they are the only ones that should be forced to pay taxes.

In the first place, by the standard of Pope John Paul's words, "This is unjust." The injustice of it can be shown very simply in the fact that by 1991, to raise $18.5 billion, the arbitrary sum that the minister is concerned about, would require in income tax $70 from a person earning $20,000 a year, but $695 from a person earning $20,000 a year by the GST.

For someone earning $30,000, it requires $747 by income tax, but twice that, $1,405 by the GST. For someone earning $45,000, it would require $2,303 by income tax and a little more by GST, that being $2,475. If I get up to $60,000, and in fact it is beginning to shift the other way. It would take $3,953 in income tax from someone earning $60,000, but with the GST, it lets them off with only $3,115 tax. People earning $100,000 would have to pay $8,155 income tax and a little over half of that, $4,875 by goods and services tax. So it was intended to take the tax off those who already have the highest incomes and add it on to those who have the lowest incomes.

• (2110)

What is even more serious is that it redistributes decision-making power away from those who work into the hands of those who get their living not by work but by what they own. Low-income people, for example, those

earning $10,000 or $15,000 a year according to Statistics Canada spend 92 per cent of their income on their current consumption. They do not have the choice that a previous speaker was talking about, to spend or not to spend. If they do not spend, they starve.

A person earning over $50,000 only has to spend 56 per cent of his income on current consumption. In other words he has 44 per cent to save. What this does is hand at a greater rate the ownership of wealth more and more to the rich. It is a misappropriation of the idea that to him that has shall be given and from him that has not shall be taken away even the little that he has. That was said in a very different context but what it means here is that the factories, the office buildings, communication systems, the transportation systems, all the wealth of our country is to become concentrated in even fewer hands than hold it now.

It also means that through the GST there will be a windfall of $2.5 billion to the class of capitalist exporters. In the past they paid the manufacturers' sales tax even on goods that were exported. Now they will not have to pay that. In other words, that $2.5 billion stays with that class.

We are told that that will make more jobs in Canada but that is not at all convincing because in industries like automobiles and the export of raw materials, the prices are set by world markets and not so much by day-to-day competition. This will mean that if the sale price is lower by the difference of the tax, that is extra profit to the people who already have too much. It means also that Canadians will pay that tax on goods and Americans will not. Because of the free trade agreement, we cannot charge the Americans a higher price. Therefore the Canadians will be discriminated against by the goods produced in their own country.

There will be a wage revolt. We have been promised it by the unions in this country, and they mean it. It has been pointed out by Marjorie Cohen that they have lost 10 per cent of the real value of their wages since 1984 through inflation. They are told by the finance minister "don't go for a big raise or we will put a wage freeze on". Well, we will see how that works. It is not only Marjorie Cohen, it is Wood Gundy which says: "Inflation will rise by much more than the 2.25 per cent promised by the minister." Therefore the Bank of Canada, according to Wood Gundy, will have to raise its interest rates so as to raise the unemployment rate to double-digit levels before workers will swallow a real wage cut of a 9 per cent GST. What he says applies almost as well to a 7 per cent GST.

A country in which 5 per cent of the people own 50 per cent of the wealth begins to sound like a banana republic. It is interesting that it was John Diefenbaker who said we are becoming a banana republic. A country where 32 families own $132 billion worth of our wealth is a country of extreme injustice in the distribution of power. This goods and services tax will increase that injustice and drive this country into desperate social conflict that we have not known for half a century. It is a very mistaken move by this government.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise today to again strongly oppose the goods and services tax. This tax is known throughout the land, I suppose, as the GST. To some it is known as the grief and suffering tax.

I am speaking as a New Democrat who is committed to fair taxation and I am speaking as a representative of nearly 100,000 constituents in New Westminster and Burnaby, British Columbia. Constituents who, no matter what their political affiliation or political bent, have written to me by the thousands. I have received thousands of cards, letters and petitions, all from people who are opposed to this bill. Many of these people have been Tories.

I speak as a Status of Women critic for my party, a capacity which has enabled me to see the severe repercussions that this GST will have on women, the oppressed and on the disadvantaged in our society. I speak as Canadian who is fed up with higher and higher taxes and seeing Canadian social programs decimated by this government. Canadians are becoming increasingly fed up with the decimation of our social programs and the destructive elements of this Conservative government.

The GST is a tax on almost everything. It is a tax on heat, hydro, children's clothing, condoms, diaphragms, diapers, haircuts, telephones, stamps, postal services, books, school supplies, coffins and muffins. A kid's McHappy meal at McDonalds and all take-out food and sweetened baked goods are taxed, no matter where they are bought. As well, movie tickets, furniture, household repairs, funeral services, boots, shoes, coats, winter hats, gloves, a visit to a grandmother or to a grandchild who

lives out of town, and much, much more. It is a ridiculous tax.

This government thinks it has fooled Canadians by lowering their percentage rate from 9 to 7 per cent. But we all know and all Canadians know that once a federal tax is in place, it is only going to go one way, and that is up. It is not going to go down. It will go way up. It will go up again after the next election if this government wins. It may even go up again if my colleagues in the Liberal party are elected. With the 7 per cent federal sales tax on top of the existing 12 per cent provincial tax, in Newfoundland people will be paying 19 per cent in sales tax.

An hon. member: Shame.

Ms. Black: The GST is choking the disadvantaged regions of Canada and the disadvantaged people of Canada, no matter where they live. Ordinary Canadians will be stifled with an extra 7 per cent tax on everything they buy, in addition to our provincial rates, and we still see the large corporation capital tax at .2 per cent. This is a special tax on women. Sanitary napkins will be taxed, tampons and menstrual sponges. There is no escape for women between the ages of 12 and 45. This government is obviously top-heavy with men if it does not realize that feminine hygiene products are not a luxury, they are a necessity for women.

The majority of the poor in this country are female. Part of the government's new announcement about the GST was a 50 per cent cut in the enhanced tax credits for poor Canadians. This credit was cut from $2.4 billion to $1.2 billion. By how many billions of dollars will the government be profiting from this tax? Many low-income earners do not file income tax returns, so they will never see a penny of this tax credit, or what is left of it. The credit is not indexed. Every year this credit will be worth less and less to lower-income Canadians. People will pay much more in sales tax than can be made up by this credit. Of women who file tax returns, 50 per cent have incomes of $10,000 a year or less, compared to only 23 per cent of men.

Many of these women live below the poverty line, yet they pay income tax. Our tax system rewards high-income earners with tax cuts and with shelters. Women are left to pay the taxes and to raise our future generations on whatever they can scrape together.

• (2120)

The GST is an inflationary measure. Even the government admits that this tax will cause inflation. Since this government deindexed family allowances in 1985, this income support to mothers no longer keeps up with inflation. This is another attack on mothers and families by the Conservative government.

The GST will drive child care costs sky-high. Even though there is no direct tax on child care, the GST will apply to everything that child care centres buy. It will apply to heat, lights, cleaning service, repairs, toys, supplies, diapers. The same applies to rent. Although there is no direct GST on rent, the GST will drive the price up on everything that the landlord buys; heating costs, plumbing services and maintenance. Operational costs will increase and so will the rents.

Ms. Hunter: And they call it fair.

Ms. Black: The Prime Minister and his merry band of ministers came up with a tax that they would pay on the same basis as the homeless in this country. The Prime Minister will pay exactly the same amount of federal tax at the cash register as a single mother with three kids who is surviving on social assistance. This is the convoluted Tory concept of fairness and equity.

From my constituency I receive thousands and thousands of cards, letters and petitions from people who are opposed to this tax. I would like to share with the House of Commons, for the record, some of the comments that people have been saying to me.

A small businesswoman who lives in Burnaby, British Columbia writes: "A 9 per cent hike in my rates would put me in the position where it would be no longer feasible for my clients to use my services, professional transcribing. My choice would have to be reducing my own rates which, in turn, would not make it feasible for me to continue. In other words, I would be out of business. My husband earns in the $25,000 a year range and my supplement to our income is necessary. With a 9 per cent rise in the cost of everything it will be even more necessary. This tax is a threat to our very way of life and, although I have never taken a political stand before, I join with you to heartily oppose this tax."

From seniors I received a large number of letters. They like to write and they are good at writing letters. Mrs. Rejane Lawrence in the city of New Westminster, B.C. says: "The Tories, and in particular Mr. Wilson, seem to be bent on hurting the elderly and the poor. First the attempt to deindex our pensions in which he failed and now this terrible tax." That is from a senior in my riding.

There are letters from working people as well. Dian Dougan in New Westminster writes: "Please tell Mr. Wilson and Mr. Mulroney loudly and clearly that the restructuring of Canada in their corporate interest is going to prove to be their undoing. Working people may not be vocal but they will eventually fight back to keep their universal programs to keep Canada intact and to ensure a fair and decent standard of living."

People in the small business community have also responded. I have received hundreds and hundreds of petitions that unfortunately are not in the right form for presentation in the House of Commons. They are put out by the Canadian Federation of Independent Business and people in my community of New Westminster—Burnaby have signed them by the hundreds.

Jimmy McGivern from New Westminster writes: "I also feel that it will be a tremendous boost for inflation. It will put many small businesses out of competition with the larger ones that can afford the extra costs."

People are worried about tourism in our country. There is a letter from Doris Jorgenson on tourism. She says: "This tax will ruin Canada. No more tourist dollars will come our way and Canadians will take their holidays away from Canada and spend their money away from Canada."

Mr. Speaker, I recognize that my time is running out. There is one more letter I would like to put into the record. It is from the mayor of the municipality of the city of Burnaby. He writes to our finance minister with the following resolution by his council: "That the Burnaby council communicate to the Hon. Michael H. Wilson, the Minister of Finance, that Burnaby is adamantly opposed to both the principle and implementation of the proposed goods and services tax."

Canadians are angry about this tax. They do not want this tax. We do not want this tax. We are opposed to it.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, this evening and throughout the debate on the GST, we have heard statements I would be tempted to qualify as irresponsible, especially from our colleagues in the Official Opposition. They insisted on using election campaign rhetoric, at a time when we are discussing a very important issue that will have an impact on the future of this country, not only because it is a new tax but because the Government of Canada and Canadian citizens, including opposition members, must consider the future of our social programs between now and the year 2000 and a major realignment of Canada's public finances.

What I noticed, especially on the opposition side, is that both opposition parties continued to make the kind of irresponsible statements we heard during the last election campaign. I will give you a very concrete example, Mr. Speaker. In Saint-Maurice, every day during the last election campaign, the NDP candidate used the radio and the media, and even went from door to door, to tell senior citizens in my riding, and there are quite a few: If you elect the Mulroney government, you will lose your old age security pension next week; and that's a promise! The Liberal candidate in my riding did exactly the same thing, Mr. Speaker. He went around my riding, and people were so upset they burst into tears. At the senior citizens' clubs in Charette and Saint-Paulin, the Liberal candidate brought senior citizens to tears when he told them that if they voted for the Progressive Conservative Party, they would lose their old age security pension. I saw it with my own eyes, and these are people in one of the poorest ridings in Quebec, because for 97 years it was represented by Liberal members.

I will say one thing. At least, our NDP friends, our socialist friends had one suggestion in connection with the GST. I don't agree, but at least they did make a suggestion. They realized that in countries like Sweden, their socialist friends found that a GST was necessary. They adopted the GST and implemented it, and its success has been widely acknowledged by all political parties in Sweden today. You should take the advice of

your Swedish socialist friends who had the guts to introduce a tax on goods and services!

The Liberals, however, have offered no alternative solution, Mr. Speaker.

[*English*]

The Liberal party has no alternative. They are waiting now for their unleadership convention to decide who is going to be their next unleader. They are waiting for that.

Their only alternative is to have an unleader. They will try, maybe, to have the guy that was before me in my riding, Jean Chrétien.

We have one thing to do in politics. We have to check the record of a member of Parliament to know if that guy is able later to become the leader of a party or leader of the government. I will give you that record.

Jean Chrétien was elected in my riding as member of Parliament in 1963. At that time he was member of Parliament and the unemployment rate was at 8 per cent in my riding. The year after he was named Minister of Indian Affairs and the unemployment rate rose to 10 per cent in my riding.

Some hon. members: Oh!

Mr. Pronovost: After that, Jean Chrétien, the guy that will save this party, as the unleader of this party, was named Minister of Revenue Canada. Do you know what happened to the unemployment rate in the riding of Saint-Maurice? It rose to 16 per cent.

An hon. member: That is performance.

Mr. Pronovost: After that, Jean Chrétien fortunately for a very short period of time, was named Minister of Finance, one of the most influential jobs in this country. Do you know, Mr. Speaker, what I think—

The Acting Speaker (Mr. Paproski) The hon. member for Kingston and the Islands on a short point of order.

• (2130)

Mr. Milliken: Mr. Speaker, it will be a very short point of order. We were discussing the GST. The motion is for second reading of this wretched bill before us tonight.

I am enjoying this recitation of the triumphs of one of the candidates for the leadership of our party, but I question its relevance to the GST.

The Acting Speaker (Mr. Paproski): He is getting to it now.

Mr. Schneider: Mr. Speaker, it is not a point of order to question the relevance of the gentleman so named as a potential leader for that party.

Mr. Pronovost: Mr. Speaker, I was trying to explain something that will shake them up very much. I was saying that for a man to receive our credibility in politics we have one thing to check. It is his own record.

Before saying that the Liberals are right in contesting the federal sales tax, we have to check their record to see whether or not we can give them credibility. I was trying to explain that when one of their potential leaders was an elected member of Parliament the unemployment rate was 8 per cent in my riding. After that he was named Minister of Indian Affairs and the unemployment rate in my riding rose to 10 per cent. After that, when he was named Minister of Finance, the unemployment rate rose to 16 per cent.

The last time he was named Minister of Finance, which is the most influential job in the country after the Prime Minister. Do you know what happened to my riding, Mr. Speaker? The same year that Jean Chrétien was Minister of Finance of this country the unemployment rate rose to 24 per cent. If that is the way they want to choose a man who will lead this country, then people in my riding understand that.

I have the pleasure to announce to you that the unemployment rate now in my riding of Saint-Maurice is at 13 per cent. That is one of the realities in my riding.

Some hon. members: Hear, hear!

Mr. Pronovost: I want to give the people on the Liberal side a very important message. I want them to choose Jean Chrétien today. Choose Jean Chrétien at once and you will stay in the opposition for the rest of your life.

[*Translation*]

Mr. Speaker, these same Liberals in the debate brandished a small folder on the GST, telling us that it was full of lies and that there was no truth in it. Look at page 2, questions and answers on the GST, where it says that Canadian consumers will not pay the GST on basic food. Can you say that is not true? They will not pay the GST on rent for long-term housing and sales of existing houses. Can you say that is not true? Nowhere did I hear a Liberal member—and the socialists have already gone to bed—tell us that this folder contained errors. Mr.

Speaker, at no time have they been able to prove that a single line of the ton of documents available, which Canadians are asking us for—The Liberals and New Democrats want to keep us from informing Canadians, which is also shameful. Besides telling us all sorts of things here in the House, they are refusing Canadians information. However, when the Liberals were in power, they paid for beautiful advertisements on television with big birds flying by, and then they said, "Hooray for Canada!' ' That is how you did your propaganda!

Now we are more reasonable. We have documents and information and we want Canadian citizens to be informed.

Mr. Speaker, they frightened seniors in my riding during the last election campaign. Seniors want to have information now. The fact is that 84 per cent of the seniors in my riding of Saint-Maurice will be better off once the GST is accepted in Parliament and I think that will happen very quickly. Eighty-four per cent of the people in my riding deserve a better economic situation. Let us pass the GST and the poorest in our society—Not like my New Democratic colleague just did, talking about the rich who have $500,000 in cash and $50,000 in interest income. The New Democrats care about those people.

One-third of my constituents are seniors in difficulty who need that money. You know, one-third of the families in the riding of Saint-Maurice are headed by single mothers, Mr. Speaker. That is something quite significant. With the GST, these women who head young families of one or two children will be better off economically, once the GST is passed.

With these remarks, Mr. Speaker, and some others that could keep us going for a long time, I am absolutely unable to understand why the Official Opposition and the NDP cannot at least think for just a moment that they are making a serious historic mistake. When Canadians realize once the GST is implemented that it is good for the whole Canadian economy, they will say: "What you Liberals and New Democrats told us in 1990 was wrong." Keep on telling them that. Canadians will remember as they remember the scare campaign you waged against free trade and on the backs of seniors in Quebec and throughout Canada. Continue that way and you will stay on that side of the House for a very long time.

[*English*]

Mr. Bill Domm (Peterborough): Mr. Speaker, we heard quite a story about a former finance minister in the Liberal government who left things in a bit of a mess. I can remind members of this House that in 1984 when the Conservatives came to power things could not have been much worse.

The programs that we inherited and are trying to deal with now were programs of overspending. The annual debt was at an all-time high, and the forecast was not much better. I can remember in 1985 when the hon. member for Etobicoke Centre, who was the finance minister at the time, introduced his budget and how members of the Opposition cried out loud and clear about the 50,000 or so jobs that would be lost because of the economic budget brought in by the Conservative finance minister.

We are on a program of cutting back on escalating debts. I am not a bit surprised that this upsets some members of the Opposition. I think that what we have to bear in mind is that a good economic policy results in a program, or many programs, that will do a couple of things.

First, it will make it possible for us to afford the kind of standard of living, the kind of social programs that we have rather grown accustomed to. Without economic viability in a family, in a business or in a government there are not the necessary dollars to finance the kind of standard of living, the kind of society with the kinds of services that the Canadian people expect.

We have implemented policies and initiatives which have not always been politically popular but which were seen as necessary if the country was to grow and become truly competitive.

I remember a forced election not many years ago. It was forced by the unelected Senate, in part because it felt that our policies of freer trade would lead to the loss of jobs and the loss of sovereignty in this country. I think that what we found out was just the opposite.

Not only did we create more jobs, more economic growth, a better standard of living, a lower debt, a higher Gross National Product, a stronger dollar and lower interest rates, but we accomplished the kinds of policies that for decades members in the Opposition who are now heckling away as best they can to cover up the mess they made of this country over a period of 20 years in power never dreamt of. They are astounded that any policy will work when they tried everything.

But they forgot to try two things. They forgot to try to bring the debt under control. They were interested in being popular. They wanted to be loved. They wanted the people to return them to office. They handed out money for programs they could not afford. They spent money they did not have. They did all of the kinds of things that one cannot do if one is to be financially accountable.

The plan that we have now put in place is creating the same kind of a dilemma that was created for the members who are now in opposition when they were in government. They cannot believe that people have to pay for what they want and what they want in politics, they usually get. The more they ask for, the more government gives them. That is the story of the Liberal past. They gave them what they wanted. They produced the programs that demanded high taxation, huge debts.

• (2140)

Per capita we have one of the largest debts in the free world. There was never a program put in place by the former Liberal government, from the days when it started the debt program, that reduced the debt year over year over year as the Conservatives have reduced the annual debt every year for the past five years.

At $30.5 billion in the current fiscal year that will mean that it is $8 billion less than it was when we took over and—

Mr. Milliken: And more than last year.

Mr. Domm: You can't tell me of one year in the preceding years to us coming to power in 1985 when the Liberals did it. They never, ever did it. Let's be honest about this thing. Let's not put up a camouflage to let the people in Canada think that they knew how to get an annual debt under control.

Now we come to another phase of reducing annual debts, the phase which calls for the people to do one of two things. Either the Canadian people have to accept fewer programs or in combination with fewer programs more taxes, or we will be back into that spiral of inflation, high interest rates and increased debts that were created by the Liberal government in coalition in large part with the NDP. Those two together have created the disaster that we are faced with today.

How are we going to do it? The Liberals campaigned for four elections in which I campaigned with the story that the manufacturers' sales tax was regressive and should be abolished. Members of the NDP in committee prior to the last election campaigned with the same story. They wanted us to get rid of the manufacturers' sales tax. They said that putting a tax on manufactured goods with which we had to compete on a world market—something which the 48 countries that are our major competitors do not have—would be disastrous. The part of the program that the Liberals campaigned to get rid of they did not know what to do with. We cannot give away $17 billion if we do not have a source from which to collect it.

We introduced a goods and services tax. We were that late in doing it, thanks to the delay of the Liberals and the NDP, that all of the other 48 countries in the world with which we compete had long done away with a manufacturers' sales tax.

I don't know how many of you have ever been in business, but if you were competing against the United States in selling—

Mr. Young (Gloucester): They don't have one in the United States.

Mr. Domm: You are the expert at finances. If you were competing against the United States for markets in the Pacific Rim would you expect your corporation, if you were lucky enough to have one, to compete against the United States, if you had to pay 13.5 per cent and it didn't in selling to that Pacific Rim country? Now we have removed the manufacturers' sales tax and have produced a program that neither the NDP—and I don't see any of its members in the House. Is it right that there are no NDP members in this House, no NDP members in the House at all?

The Acting Speaker (Mr. Paproski): Order. The hon. member has been here a long time and he knows that he should not say who is or who is not in the Chamber.

Mr. Domm: I agree, Mr. Speaker.

The Acting Speaker (Mr. Paproski): However, that is not the reason that I called the member to order. I just cannot seem to hear the hon. member. There seems to be a little chatter in the House. I would like to hear the hon. member's speech.

Mr. Domm: Mr. Speaker, I appreciate that, but I have to point out that I would not be guilty intentionally of mentioning another member of Parliament by name. I was referring to the New Democratic Party and I think that is in order. Correct me if I am wrong.

The Acting Speaker (Mr. Paproski): No, that is not right.

Mr. Domm: All right. Members of the other opposition party have never produced a program to offset what they wanted to do, that is, remove the manufacturers' sales tax. Yet here are members of the Official Opposition sitting opposite squabbling away about a program that we introduced when they have no program to introduce to replace the manufacturers' sales tax.

There is no rationale for that kind of management of this country. Yet they seem to think that the Canadian people are not intelligent enough to figure out they had no way to finance the programs that they put in place, none whatsoever except through spiralling inflation. There is the government now sitting in opposition which had double digit interest rates right up in the twenties. When in government they not only had double digit interest rates; they had double digit inflation. If they do not think that drives up the costs for those who can least afford it, if they think for one minute that they can run this country and not pay for the programs, then they are mistaken. Our debt has reduced on an annual basis every year since we came to office.

Mr. Young (Gloucester): It's going up.

Mr. Domm: Hold on a minute. If you take the debt that you had which we took over, along with the debt that we have now annually, you will see that it is reduced, and that is with some inflation, not nearly the inflation you had. It has reduced from $38 billion to $30.5 billion. When did you ever in all the years that you have been in office save $8 billion in five years? You have never done it. You had debts year after year from the time that the leader and the finance minister who was mentioned just a few moments ago by my colleague were in office. The past leader you had just up until today was the one who created the debt. You had debts every year.

If they think they are ready to govern this country, then they have a long way to go before they will convince the Canadian people that they have any answers for any of the problems they created.

[*Translation*]

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my comments will be brief and to the point. They will be brief because the Government opted to limit the debate on this important matter, and they will be to the point because of the very evident and serious problems associated with this goods and services tax proposal.

Together with millions of Canadians, we in this Party believe that this Government cannot simply keep on ignoring the serious flaws in the proposed tax.

It is a well-known fact that tax reform should be aimed at simplifying matters. It should not create confusion, complicate matters, slow the economy down or seek to pick more money out of working Canadians pockets.

However, Mr. Speaker, such are some of the implications of the proposed goods and services tax.

A great number of reports by various economic experts stated that if the GST was implemented, our economy would be hard hit by higher rates of inflation, unemployment and interest.

The Consumers' Association of Canada testified before the finance committee that it would be most unlikely the elimination of the current manufacturers' sales tax at 13.5 per cent would benefit consumers.

The major unions also told the Government that labour would not tolerate the inflationary impact of the tax. This means that when their collective agreements come up for renewal, those workers will ask for higher wages to catch up with the inflation caused by the GST.

Finally, Mr. Speaker, the Economic Council of Canada has showed that the implementation of the tax would lead to a 2.4 per cent decrease in real salaries in 1991.

• (2150)

This means a significant decrease in the standard of living of Canadian workers.

Further, the Conference Board of Canada predicted that 71,000 jobs could disappear in 1981 only. Finally, studies done by the Economic Council indicate that interest rates will have to climb if we are to limit the inflationary impact of the GST, and that would happen as early as 1991.

Virtually all economic studies other than those prepared at the government's request forecast the GST will lead to higher inflation and unemployment rates and slower economic growth in 1991.

[*English*]

Small business is a well-known contributor to the economic vitality of our country. Small business provides more of the new jobs and new opportunities for Canadians than any other sector. Yet the government's proposed goods and services tax will hit small business harder than any other sector of our business community.

There is a general problem of confusion. It concerns what will be taxable and what will not be taxable. Will the tax be included in the shelf price of the item or added at the cash register? How will the retailer decide and how will the consumer know which system is being used?

The Canadian Federation of Independent Business estimates it will cost $1 billion just to convert retail trade to cash register systems which will show the customer the GST on their sales slips.

The costs for additional staff, training and time to collect the tax for the government are also astronomical. But it does not stop there.

Small business will be the first to feel the effect of the decreased spending power of consumers, when consumers start tightening their belts as the result of the increased portion of their wages going to pay the goods and services tax.

Local business owners in my riding of Ottawa Centre tell me that consumers are already starting to hold back on spending in anticipation of this tax. Businesses are going to fail.

Small specialty shops like antique dealers, stamp collectors, retailers, consultants, and a list longer than I have time for tonight will be hard hit. This is just another example of how unfair this tax is and what a crippling effect it will have on the local and national economy.

The goods and services tax will also have a serious impact on tourism. The Tourism Industry Association of Canada shows that by 1992 Canada will lose over $1 billion per year as a direct result of this tax.

The Canadian Restaurant and Food Services Association says that the $230 million now raised by the federal tax—mostly, I should add, through the sale of restaurant equipment—will jump to $1.16 billion when the goods and services tax is applied to a much wider range of goods and services in this sector.

A Woods Gordon study predicts that food service sales will fall 5 per cent to 7 per cent as a result of the goods and services tax. The Hotel Association of Canada is actively opposing the goods and services tax.

The tourism industry problem will be felt heavily in western Canada and especially in Atlantic Canada where tourism is a badly needed growth industry and tourist dollars are an important source of income.

I do not think I have to spell out for my colleagues opposite what a faltering tourism sector will mean to the millions of Canadians employed in the service sector. To put it simply, it could mean a disaster.

I would like to move from my examination of the goods and services tax and its effect on the economy and look for a moment at the impact of the goods and services tax on the educational system.

We have heard members from all sides of this House rise to speak on the important issue of education, not only to the personal development of individual Canadians but to the full development of our culture and an internationally competitive economy. Yet the government has seen fit to put forward a tax which will discourage education, training and research. For the first time learning is going to be taxed. How shameful, when

we are on the brink of a new era in which education and technology will be more important than ever before.

Education is also being attacked on another front. Colleges and universities will be faced with a complicated rebate system, which, even if they manage to make their way through the paperwork jungle, will ultimately result in these institutions paying more. We all know they cannot afford it. There are no incentives included in the tax system to encourage research and development—another opportunity missed by the attempt to introduce this tax reform system.

I recently received more than 300 petitions signed by thousands of Canadians who were appalled to discover that the tax will apply to books. It is quite an irony that in 1990, the year that the United Nations has designated as International Literacy Year, the government is taxing books. It is more than ironic. It is shocking and sends a dangerous message about the government's views about the importance of learning.

One of my constituents is a psychologist who wrote to me when he learned that the government was planning to tax the patients of psychologists. I share his views about this astounding lack of compassion and understanding about mental health.

People do not choose to go for psychological help any more than they choose to become physically ill. Emotional problems if left untreated can result in huge personal costs to the individual and real economic costs to our society.

This is not a question of economics. It is a question of health care and people's lives. Obviously any tax that limits the accessibility of psychological services for Canadians is a tax that is unfair and incredibly short-sighted.

The National Council of Welfare predicted that within five years 700,000 poor families will be cut off from the tax credit because of the lack of full indexation. Within 10 years over one million Canadian families who need this protection will lose their tax credit.

In summary, there is one word only which sums this up. It is unfair. Canadians across the country have been shouting out their opposition to this tax. The government must not ignore them. They deserve better. I call on the government to scrap it.

Mr. George Proud (Hillsborough): Mr. Speaker, I rise tonight to participate in this debate on the much talked about goods and services tax that is going to be imposed on Canadians.

I am very disappointed that we were promised tax reform over the years. According to all groups, individuals and organizations across the country, this is not really a reform. It is an added burden to the already overburdened taxpayer.

I have listened to people from both sides of the House talk about the comments and questions they have been asked by their constituents and about the concerns of many organizations. I have had many people, as have other members, come into the constituency office and give their comments on this proposed goods and services tax.

One of the main industries in Prince Edward Island where I come from is the tourism industry. The tourism industry is very concerned about what this will do to it. In Canada, for one reason or another, we have more expensive meals and hotel accommodation, gasoline, alcohol, tobacco prices than south of the border. People have a very great fear in the Atlantic region that this will have a devastating affect on the tourist industry there.

• (2200)

The hotel and food and beverage industry is also concerned because it knows and we know that one of the areas that would be affected first by a rise in prices, or a rise in taxes, is that industry because people tend to stop eating out. They do not go to these places on their vacations when they find it is more expensive. So these are two organizations in my area that have shown great concern.

Another interesting group in my area is the manufacturers. The manufacturers are concerned because the imposition of this tax will probably cut back on the sale of their products. As well, they are going to have to—and this is prevalent throughout the business community—hire somebody almost full time to collect the tax.

The people who have come to see me in my area are opposed to the implementation of this tax. In the regions of Canada the two-way street in transportation is that of the expense to ship goods to the central market and the expense to get goods shipped to the regions from this central market. Again, this will add an unnecessary mark

up to the price of the products that we will have to buy in my area, in the western regions and in the outlying areas of Canada.

For instance, the Atlantic Provinces Transportation Commission states that the GST will create the perception that goods from the Atlantic region are more costly, due to the application of this GST and higher transportation costs, than those of competitors located closer to the market-place.

We have known this for years and years. For instance, the price of a car in that region is more expensive because it costs more money to transport it there. Now, with the added cost of the sales tax on the product itself and on the transportation, this is going to again increase the cost of that motor vehicle, or whatever other product, out of reach of many people.

The real estate associations have made presentations, I am sure, to most members of this Chamber. As with many people across the country, the concern they have is that buying a new home is a very expensive proposition. To most people it is the most expensive item they will ever purchase in their lifetime. Now, with the imposition of this tax it will put housing out of the reach of many people.

The real estate association in my area has stated that in certain areas of Atlantic Canada, at 11.5 per cent interest rates, 65 per cent of the people who have mortgages are over-mortgaged; at 12.25 per cent, 75 per cent of the people who have mortgages are over-mortgaged. So when you add what the tax will be on the brokerage fees, on the cost of the house, this will play a devastating role in the housing market.

The Canadian Homebuilders Association states that monthly rents on average could rise by $40 to $60. This again is going to place people in a desperate role. The people who are going to pay the price for this are the middle and the low-income people. They, as always, pay the major share of taxes and never ever get a tax break. Again, they are going to be put into a position where they have to pay this 7 per cent on top of all the goods and services they purchase.

Organizations and labour unions, organized workers, especially those who have some clout at the bargaining table, are going to look for more wages, rightfully so, because they are the people who pay through their pay cheques the most tax. The middle-class people pay the shot right across the board for everybody and they do not get a break in their taxes.

The people who have come to my offices and who have written letters to me are people who are very concerned about this tax. They feel that there must be a better way, that the government should scrap this tax, go back to the drawing board and come forward, after consultation with the provincial governments and with Canadians in general, with a more fair and equitable tax system.

Therefore, I beg of this government to really take seriously that the polls are saying that 79 per cent of Canadians are opposed to this goods and services tax, go back to the drawing board and come forward, after consultation, with a more fair and equitable tax.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, you can tell that the Conservative side of the House are indeed enthusiastic about having an opportunity, at long last, to be able to speak about the subject which has been made much more controversial than in fact it should. There is no question at all in my mind, or in the minds of the average thinking Canadian that, if asked the question: "Do you agree that you should pay more taxes or tax in a different form?" of course, their answer is going to be no. As a result, we simply cannot, for the betterment of Canada, respond to anyone's poll on this particular issue, for I believe that we are on the brink of the greatest shake down of truth in taxation in Canada's political history. It is just unfortunate that the other parties are not ready for it.

There are many components of this bill which can be spoken about because it is indeed very complex, very complex in nature and very complex to understand. As a result of that, I will not try to speak about every aspect of it, but instead I have chosen the component of competitiveness, and it is on this issue that I would like to speak to the House of Commons tonight, particularly how this government has been working to improve our economic competitiveness.

As we all know in the House of Commons, Canada depends on world trade. Exports account for about one-third of our national income and our costs must remain competitive with those of our major trading partners and competitors, both at home and abroad. If we fail to remain competitive, we will pay the price in lost jobs and, of course, a lower standard of living as well. The goods and services tax will make Canada more competitive in domestic as well as foreign markets. This

can be seen if we look at how the present hidden manufacturers' sales tax works.

First, when someone brings goods into Canada, because of GATT, the tax has to be calculated at the manufactured price, f.o.b., free on board, the plant in the foreign country. All of the costs of bringing the goods to Canada, loading them at the dock, distributing them across Canada, guaranteeing the goods, financing the goods, packaging the goods, and marketing the goods, bear absolutely no federal sales tax whatsoever. Yet, those goods are in competition with goods manufactured in my hometown of Regina. In Regina the manufacturer pays the federal sales tax on the invoice price of the goods leaving his plant. That invoice price includes the guarantees, the financing costs, the marketing costs, salesman's wages, and, yes, even the salesman's car. Indeed, that price includes municipal taxes. No wonder the foreigner has an advantage. Our system gives him an advantage. Does the opposition care about this inequity? Of course not.

That is not all. When a Canadian manufacturer in Regina sells something, he has to add in all of the sales taxes he paid on his computer, his telephone service, his washroom supplies, his paper clips, his pens, and on his motor fuel, because none of that tax is currently rebatable. When he does not pay sales tax on what he sells, if he sells it as an export the taxes on his operation are in his cost structure and have to be borne in his price in a foreign market, where he competes with an exporter who has no such tax burden.

The opposition looks at the present tax and agrees that it has to be changed. The opposition knows that the present tax costs us around $9 billion a year in lost output, but does the opposition put forward any credible alternatives? Of course not, Mr. Speaker.

In recent years, many countries, including Canada, have adopted structural reforms to provide clear and powerful market incentives and reduced barriers to trade, *glasnost* and *perestroika* are certainly not among the least of them.

• (2210)

The Government of Canada has implemented a number of structural policies and reforms to raise potential output and living standards. All of these initiatives represent a serious commitment to an improved economy. They stand as testimony to our faith in the private sector. These initiatives include free trade with our largest trading partner. They include the personal and corporate income tax reforms of 1988 which made the tax system more equitable and increased the incentive to save and invest. We have acted on deregulation in the energy and transportation sectors as well.

This has freed these critical sectors of the economy from a regulatory nightmare. Can the opposition see the need to reduce regulation? Of course not. This government has privatized 18 Crown corporations and replaced the Foreign Investment Review Agency. I think it was an appropriate acronym when they called it FIRA, something that all of Canada feared. The government has replaced this body with Investment Canada. We are implementing a new approach to encourage research and development and putting in place a new labour force development strategy. All these policies and programs contribute toward making Canada more competitive at home and abroad.

Now is the time to take the next major step, to consolidate the progress we have made and to introduce even more efficiency into our economy.

The existing federal sales tax hurts our competitive position and absolutely must be replaced. I know other speakers have also mentioned this, but Canada is alone among industrial countries in its continued reliance on a manufacturers' sales tax. Today, 19 out of 24 of the world's most highly industrialized economies, members of the Organization for Economic Co-Operation and Development, rely on sales tax systems of the type that we are proposing. It is as simple as that.

The existing tax is buried in the price of all goods and services made in Canada. Even products that are nominally exempt from tax, such as food and clothing, are affected by this existing tax. Does the opposition care about this unfairness? Of course not. Because the tax is levied on a broad range of business inputs, including fuels, vehicles, computers and office furniture, a part of the tax is embedded in the price of all the goods and services produced using these inputs. Tax applied to inputs in the production process ends up embedded in the selling price of the goods produced, a form of double taxation or tax cascading results. Has the opposition proposed anything to solve this problem? Of course not.

At least, nothing that makes any sense. There have been proposals, but nothing viable.

For many sectors of the Canadian economy, the current sales tax system penalizes investment in capital goods by taxing capital purchases. Under the goods and services tax, purchasers of capital goods will be able to claim an input tax credit. I know that is terminology not easily understood, but take the time because it is worth while to understand what an income tax credit is all about. This income tax credit will be paid for taxes paid on such of these purchases. It will vary from industry to industry depending on the degree to which purchases are now taxed.

Lower capital costs will increase incentives to invest and lead to a significant increase in the capital stock over time. Has the opposition informed Canadians about this benefit of the goods and services tax? Of course not. Surely a duty of theirs would be to advise their constituents of the truth.

Removing the tax on inputs for construction materials and manufactured equipment will lower production costs and make natural resource industries in Atlantic and western Canada more competitive on world markets. Directly and indirectly, significant amounts of federal sales tax on such items have hampered the ability of these industries to compete in critical world markets. Canadian goods bear a higher tax burden than competing imported goods.

For example, currently domestic furniture manufacturers face an effective tax rate of 70 per cent higher than that for foreign producers. For office machines and equipment, the margin is over 65 per cent. For domestic goods, the tax applies to a manufacturers' selling price which normally includes marketing and distribution costs. Generally speaking, such costs are not reflected in the price used to calculate FST on imported goods.

Some domestic manufacturers can avoid the tax by restructuring their business activities. This is clearly an unproductive diversion of time and money. While there was no direct sales tax on goods exported from Canada, the federal sales tax on business inputs represents an indirect charge estimated at 1 per cent, 0.9 to be precise, of the sales value of exports. That may seem small, but it accounts for well over 10 per cent of the profit margin of many Canadian exporters.

These business people are working in an extremely competitive international market. The federal sales tax acts in a very real way to impede Canada's export performance and competitiveness. The GST will eliminate the bias in favour of imports by applying a uniform tax rate to both imports and domestic goods and services.

We will see domestic products substituted for imports. On average, we will reduce exporters costs by almost 1 per cent. Will the members opposite acknowledge this important benefit of the GST? Of course not. On a level playing field Canadian producers will become more competitive in domestic and international markets. We will create new jobs in export markets. Expanded Canadian operations will stimulate new demand for plant equipment and labour. Is the opposition concerned with creating new economic growth? You know the answer, Mr. Speaker, of course not.

All regions of Canada will benefit from sales tax reform. It will remove tax from the production process, eliminate import biases and lift tax from exports including exports of resource based products. The single 7 per cent rate and broad base already makes the GST simpler in operation than either the present tax or, indeed, most of the consumption tax systems in other countries.

Canada trades around the globe today. A dramatic increase has occurred in trade with countries, particularly of the Pacific Rim. Steady growth has taken place in trade with developing countries in Europe. Trade with the United States has expanded strongly. By the end of 1992, 12 countries in the European community are destined to form a genuine common market of some 330 million consumers comparable to the industrial might of Japan and the United States. Completion of the European single market should result in a more prosperous European community becoming a stronger market for Canadian exports. In the next few years, we will need to seize new opportunities and face new challenges presented by free trade with the United States, with Europe in 1992, and a further reduction in tariffs currently made being negotiated in the General Agreement on Tariffs and Trade.

We need a modern, fair and effective tax system to meet these challenges. The GST fits this description, Do I expect the opposition to recognize this? Of course not.

The Acting Speaker (Mr. Paproski): May I just explain to the hon. member for Regina—Lumsden that there are two 10–minute speeches to take up the 20–minute time. Then we will get to the hon. member.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to take a little different approach to the sales tax debate that is going on right now because I have been involved in business for a number of years. I have worked on the floor and I have been in every level of management. I have been president of a company, chief executive officer and chairman of the board, so I know it from the bottom to the top. I have callouses on my hands, right up to my elbows so I have a fairly good idea of what goes on inside business.

I would like to talk for a few minutes on how prices are structured, something that has not been talked about at all in this debate. How is a price structured and where does the federal sales tax or the manufacturers' sales tax fit into that calculation? What effect does it have on the consumer? Everyone is talking about the tourism industry and the automobile manufacturers. Nobody is talking about the consumer, and the consumer is the one who eventually pays.

Let me tell you how a price is structured. Either you manufacture a product, or if you import it there is a different calculation. If you manufacture it, you come down to all your calculations of overhead, packaging and so forth, and then you add on the manufacturers' sales tax. That is part of your cost. Then you sell it to a wholesaler and he is going to develop that into a retail price. Part of his cost structure is the manufacturers' sales tax. When he takes that cost of his, he wants to reflect it into a retail price so that he can make a profit on which he pays his overhead, his staff, taxes and everything else, so there is a specific mark up formula that is used.

• (2220)

If you want to make a margin of 50 per cent on your product, you mark your cost up 100 per cent. That means you mark up the manufacturer's sales tax 100 per cent. Who pays? The consumer pays. Is that inflationary? You bet it is inflationary.

So what we want to do is take that sales tax out of that part of the calculation, put it down on the bottom as a consumption tax. Therefore, the prices will be lower all the way down the line.

A lot of people talk about manufacturers or wholesalers not taking that manufacturers' sales tax out of there. I want to tell you that you just have to go to any of the border cities and see what is happening. People are all going across to the United States to buy. Why are they going? Because they can get a better deal at a better price that does not have the tax in it. If you do not think our wholesalers and retailers are going to respond to that, you do not know anything about business. They will respond to the competition, and it will come out.

Furthermore, if businesses had inventory on hand, the amount of sales tax that they have in their inventory will be rebated. It will be worked out between themselves and the Department of National Revenue. Of course with that tax out of the inventory, they then have more cash to play with. They do not have to go to the bank to borrow money to pay the tax to the government. That is what they are doing right now. So that is going to be quite a help to the businessman.

I have said all the way along that with the combination of the GST, the GATT tariff reductions, and the free trade agreement, the consumers of Canada are going to get the best break they have ever had in 40 years, and that's that. They will have lower prices. They will have more products. They will have a greater variety and the market–place will be more competitive. It is going to be better for the consumer in the final analysis. When the tariffs are out of there and when the GST is in place, the prices will be better all the way around.

I also want to talk about the existing manufacturers' sales tax system, because it is probably the most inequitable system I have ever seen. It is disgusting. The Minister of Finance has told us that there are 75,000 different people who pay the manufacturers' sales tax. He has also said there are 22,000 different deals made on that, and there are six different rates. Do you call that fair and equitable across the board?

What are these 22,000 different deals? When I looked into it as a businessman, I found there was no definition for manufacturing in the Sales Tax Act. There was no definition for assembly, there was no definition for producing, and so it was left to sales tax auditors who came into a business and made a judgment call as to

whether you were manufacturing, producing or assembling.

You will never know the number of businesses that have just turned in their chips and said that they were not interested in getting into this any longer. Hoover Manufacturing in my constituency made a little washer and dryer. They came to me and showed me their figures of input costs, manufacturing costs, overhead, and so forth. They showed me their selling price wholesale to a company like Eaton's, The Bay, or someone like that. Then they showed me the calculations on a Sanyo product that comes from Japan. There was $90 difference in the retail price.

Now you and your good wife are going along to buy a little washer and dryer for your daughter who has just got married and living in an apartment somewhere. What do you buy? You buy the one that is $90 cheaper. Where was the difference? The difference was in the manufacturers' sales tax all the way through the calculation.

I spoke to the former leader of the official opposition, John Turner. I went all over this with him. Not a word. I went over it with Chrétien. I went over it with everyone, right up to MacEachen, who really did not understand anything. I have talked to every minister of finance we have had here about this problem. It did not mean a thing. They did not understand it.

I started a national trade association because of the manufacturers' sales tax. It is still going. I found that I had certain rulings on manufacturers' sales tax and my competitor in Toronto, who was selling the very same product, had a different set of rulings on the manufacturers' sales tax, and somebody in Montreal had another different set of rulings on manufacturers' sales tax.

We met one day at a convention. My friend told me he was going out of business. I asked him why, and he said that he was being put out of business by National Revenue, the sales tax people, because they were charging him with certain operations. We sat down and talked about them and I said that I had rulings on those, that they are not taxable. They were taxing him and not taxing me. I gave him all my rulings and he stayed in business.

We called our friends across the country. We had a meeting in Toronto and we formed a national trade association. We took all our rulings, put them together in a book and published them. When we came to meet with the people at National Revenue, they gave us hell. They said we should not be doing what we did. They said: "Those are private rulings you have. We gave them to you and they are private to you". Is that balanced taxation across the country? Not one little bit.

I am pleased that we are doing this. We have had 20 Ministers of Finance since the manufacturers' sales tax was brought in. Every one of them wanted to change it. The first levy of manufacturers' sales tax was 1 per cent. It has gone up year after year after year. Everyone said it was an inequitable tax and it should be done away with. The only guy who had the political courage to do it was this Minister of Finance. We are going to do it and we are going to straighten that situation out so that our manufacturers can compete, not only in the export business, but domestically and give the consumers domestically a decent price.

Mr. Bob Wood (Nipissing): Mr. Speaker, over the last several weeks, the nation and the House of Commons have been overwhelmed with submissions, briefs, editorials, speeches and reports on the proposed goods and service tax. It is no secret, nor is it any revelation that the people of Canada reject this proposal for tax reform. However, the government is continuing to push ahead, despite what Canadians believe.

Less than a year ago, Canadians found themselves in a similar dilemma. The government was proposing something which, in theory had merits, but the method proposed was flawed. Of course, I am speaking of the free trade debate during the federal election of 1988.

In that instance, the government was not trying to sell free trade, but rather the free trade agreement. Ideologically, few people have problems with freer trade, but many have problems with the Mulroney—Reagan free trade agreement. The government recognized this and launched a multi-million dollar advertising campaign to fool Canadians into believing that free trade and the free trade agreement were one and the same and that if you

opposed the free trade agreement, you opposed free trade.

Common sense tells us that such an argument is defective. However, during the election of 1988, ads were run so often and the facts so dramatically manipulated, that many began to believe them. In 1988 the Conservative sell tactic worked. Today Canadians are wise to the tricks of the past.

The people of Canada do not want to buy another lemon. No matter how it is packaged and how it is marketed. Canadians are tired of buying lemons disguised as Cadillacs. This time the Prime Minister and the Minister of Finance are selling by themselves. Big business has deserted them. Interest groups have deserted them. Even some members of their own caucus have deserted them. This time no one, no corporations, no interest groups, no George Bush, no Margaret Thatcher is going to get involved with such an unpalatable proposition. Only the Prime Minister and the Minister of Finance want to see the goods and service tax come into effect. They continue to flog an idea which has already been rejected by Canadians. Let us make no mistake, Canadians from sea to sea, regardless of economic status, age, background and party stripe, have rejected this GST proposal. In fact, 79 per cent of Canadians are opposed to the GST.

• (2230)

In just a few short months since the technical paper on the GST was released, thousands of petitions have been signed protesting the GST. Hundreds of thousands of letters have been written protesting the GST. Town hall meetings have been held across the country. Editorials nation-wide have condemned the tax as unfair and unjust and protests are being planned, even as I stand before you. In Canada's history there have been very few proposals which have received such massive opposition as this GST proposal.

Despite the powerful opposition to the GST, the government forges on. Like trying to cut a hole through a wall of water, the government proceeds, seemingly oblivious to the torrential downpour of opposition.

The Prime Minister and the Minister of Finance are very confident that Canadians will change their minds, that Canadians will suddenly wake up one morning and say, "My goodness, I have been wrong all along. I really want to have my purchasing powers slashed by 7 per cent."

The reality is that Canadians are not as naive as the Prime Minister thinks. The sad reality is that the Prime Minister underestimates the Canadian voter. A slick, deceptive advertising campaign may have fooled Canadians once, but it will not work again. This time the organizations that helped fund the glitzy ad campaigns have jumped ship. This time the Prime Minister's friends are not around to fund and support his personal delusions of nation-building. But who needs friends when you have lots of money.

The government has allocated millions of dollars to sell this unsaleable tax, to convince Canadians that they are wrong and that the Prime Minister and the Minister of Finance are right. It has allocated all kinds of money. Why not? After all, it is not as if they are spending it on anything else. They do not want to spend on VIA Rail. They do not want to spend on unemployment insurance. They do not want to spend on day care. They do not want to spend on foreign aid. I suppose that the Prime Minister and the Minister of Finance believe it is all right to spend our money on advertising campaigns to persuade us to love paying taxes.

Unfortunately, no matter what happens, the Canadian taxpayer loses. If the proposition goes through the taxpayer is stuck with an intangible reality. If the proposition fails millions of dollars will have been needlessly spent.

The goods and service tax is a case in point. I cannot say it in any simpler language. Canadians just do not want a goods and services tax.

For the people of Nipissing and northern Ontario in general, the GST will have devastating effects. Tourism, one of the biggest industries in the country, particularly in the north, will be decimated. It is an industry which contributes $24 billion to Canada's Gross National Product, which provides employment to 10 per cent of the country's workforce. It is Canada's second largest earner of foreign exchange at $7 billion per year. It provides employment in all regions of Canada including summer employment for students, part-time employment and jobs for unskilled labourers.

In the near north alone, tourism generates $200 million annually and $1 billion across northern Ontario. Yet the government through its policies continues to neglect this vital industry and place its existence in jeopardy.

In 1989 we experienced an unprecedented $3 billion balance of payments debt in the travel account. To compound the problems, Canada's share of world tourism has been cut in half over the last decade. However, our government is making it even more difficult for our industry to effectively compete by adding an additional cost of at least 7 per cent.

Where is the incentive for our citizens to travel in their own country when they can get more value for their money south of the border? Every province, with the exception of British Columbia, has experienced a net decline in tourism this past year.

With the dismantling of the defence industries around the world and the opening up of the east bloc, tourism in the 1990s will rapidly become the world's largest industry. Canada with its natural endowments and breathtaking scenery is in an excellent position to expand its market share.

This can only happen if we offer good value at competitive prices, and if we undertake more effective promotion. However, tourism is highly price sensitive. There is no question that if the GST is introduced it will cripple this industry.

What about more effective promotion? When the government slashes the budget for tourism from $35 million to $20 million and yet provides $30 million in aid to McDonnell Douglas of Toronto, we have to question the priorities of the government.

Another example are the cut-backs to VIA Rail. The government's idea of serving the people of northern Ontario is to increase the cost of their train tickets, and then cancel the train. What about the cuts to the unemployment insurance program? Many industries in the north are of a seasonal nature, particularly tourism. Yet, this government has made it more difficult to qualify for benefits, and when you do, you get less.

One might think that the unemployed could go back for retraining and additional education. However, this government wants to impose a tax on books that these people will have to use to be retrained. It is a tax on people trying to better themselves. Where is the logic in this? Where is the logic when the biggest reduction of corporate taxes in history will be passed on to ordinary Canadians who can least afford it? Is this the kind of development that the government has in mind for the north?

We have heard all the rhetoric about the need for a north-south dialogue and a north-south flow of trade. Why do we not look at the north-south flow in our own country and see the regional disparities? When will the north become the priority it should be? For the people in northern Ontario and in the north generally, the GST is not only the goods and services tax but rather, it more clearly stands for the Go South Tax.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it gives me great pleasure to participate in this debate this evening and to bring the concerns of Prince Edward Island, and especially the concerns of Cardigan, to the floor of the House of Commons. My constituents have grave concerns about this regressive tax.

I represent an area which is mainly rural, where the family farm dominates, where life is lived on a somewhat smaller scale than in the bustling urban centres found in ridings across this country.

It seems this government believes Prince Edward Islanders and Atlantic Canadians are better at stretching a dollar than Canadians in other parts of the country, for we have certainly been called upon to work magic with our dollars to obtain the same standard of living as other Canadians.

The GST will cause inflation. It will drive up interest rates and unemployment. Yet it is a measure quite in character for this government's agenda to serve corporate Canada. My constituents are not surprised. Along with other areas of Atlantic Canada, we in Prince Edward Island have become accustomed to the government's gunfire against our region which has come in the form of spending cuts and tax increases. We lost our bus service to the mainland with the cuts to VIA Rail. Our military base, which provided 1,300 jobs and injected $62 million into our economy, is slated to be closed. Funding was cut for post-secondary education, medicare and hospital services. The Advanced Payments for Crops Program lost its interest free status. Prince Edward Island will lose over $15 million in UI benefits and this is at a time when our fishing industry is on shaky ground. Now Islanders will have to pay a new tax on almost everything they buy, from homes to french fries and

everything in between. It simply is the straw that broke the camel's back.

Let me point out what this tax will do to farmers, tourism operators, small businesses and consumers, which includes virtually everybody who lives in Cardigan. Given the geographic location of my province, transportation costs increase the price that consumers in Prince Edward Island must pay. All taxable products to be transported will cost more since transportation will be taxed. The portion of the transportation costs included in the price of goods will be increased by the GST. This will put consumers in my riding at a disadvantage as we are far from major markets and transportation costs are generally higher.

• (2240)

On the other hand, our exports such as potatoes, will be perceived in the marketplace as being more expensive because of the increased costs of transportation and costs for the GST.

Potatoes are to Prince Edward Island what oil is to Alberta. If our number one export is not competitive, our whole provincial economy suffers. Members of the Prince Edward Island potato industry are very concerned about the effect this tax will have on them. Twenty-five per cent of potatoes produced in Canada must be transported to national and international markets.

The GST will be applied to the transportation of our potatoes. This tax on transportation will be rebated. However, the following example clearly shows that our potatoes are at a disadvantage. A buyer in Toronto has a choice to make between a P.E.I. potato and an Idaho potato. It costs the same to produce and transport both potatoes. The difference is that the GST is added to the transport of the P.E.I. potato. Which is easier, to buy the Idaho potato without the added cost of the GST or to buy the P.E.I. potato, then file for the rebate? The answer is obvious.

This tax will be an administrative nightmare to P.E.I. farmers and small business people. Rebates on purchases made by farmers are supposed to make this tax fair to farmers, our primary producers. Instead, it is causing them one big headache.

I am sure the people who designed this tax have not had a lot of experience working on a farm. It is true that many large farms these days use computers to run their businesses. Most small or medium-sized farms have very basic accounting systems. Keeping a record and filing for rebates on a day-to-day basis will be costly and time consuming for farmers. As a dairy farmer myself I know the last thing I would feel like doing after a long day on the farm would be to add up the receipts of small purchases. These small purchases of $10 or $15 would probably never be recorded and thus the rebate for them will not be claimed. The farmer will end up absorbing the cost of the GST.

For larger purchases such as equipment, the delay between the time of purchase and the reimbursement will cause the farmers cash flow problems. These are only a few examples of the serious negative impact that the GST will have on farming in Prince Edward Island and in Cardigan. This negative impact to our number one industry will have ramifications in all sectors of our economy.

Another important industry in my province is tourism, which will be equally damaged by the GST. The tourism industry provides 16.7 per cent of the Island job opportunities and accounts for 10.5 per cent of our gross provincial product. The GST is going to hamper this industry.

The southeastern tourist association in my riding is strictly opposed to this tax and the Tourism Industry Association of Prince Edward Island is deeply concerned as well. Over the last few years there has been a 3 per cent increase in visitors to P.E.I. The Conference Board of Canada predicts there will be a 4.8 per cent decline in visitations once the GST is in place. We are talking about a net decline of approximately 8 per cent. That 8 per cent decline will surely result in job losses.

This tax is regressive. The cost for small businesses, which includes farmers and tourist operators, to comply and administrate this tax will be staggering. The key word here is small.

Many of the small businesses in my riding do not have fancy accounting systems at their disposal. The small business person will have to deal with a provincial sales tax collection system and a new federal sales tax which he or she never had to deal with before.

The provincial retail tax will apply to some items, the federal GST will apply to others, while both will apply to some and to others, none will apply. God help us.

In order to receive an input tax credit under the GST system, small business people would have to submit detailed calculations on the tax they pay to produce their goods and services. Small business, and I repeat, small, do not have the sophisticated accounting systems to deal with this complex system.

The government is putting the onus on small business to collect its tax. This is unfair. Small businesses cannot absorb the cost of maintaining the paperwork necessary to collect the government's taxes. The result will be an increase in price and a decrease in competitiveness.

The GST is not a good and simple tax as this government would like to have us believe, but rather a grief and suffering tax seems to be more appropriate.

The people of Cardigan join the majority of Canadians in telling this government that it should not seek to help their big business friends on the back of the little people who are the backbone of the Cardigan and the Prince Edward Island economies.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, virtually all those who know something about taxation will agree that the GST is the most important and clever reform ever carried out. How is it, as the Prime Minister was saying, that it has made us so unpopular? Several interested groups have suggested that the opposition parties are responsible for this. We all recognize the important role opposition parties play in our parliamentary system. As far as the GST is concerned, however, the Opposition Parties are not assuming their responsibilities. In short, they had no mandate to conduct a campaign the way they did to misinform the business people and the general public. They had a twofold objective: completely distort the economic policies of our government and present a simplistic and threatening picture of the GST. They still insist on telling us horror stories about it. That is why we must set the record straight. For this reason, I must remind the House of the economic vision for the future which is guiding our government as well as try to focus the central role of the GST within our program.

The replacement of the 13.5 per cent manufacturers' sales tax by the GST represents a major element of the program implemented by our government to build a stronger economy to face an increasingly competitive world. We have faithfully followed the program which we presented in November 1984 and we will continue to do so.

From the very beginning, we set as an objective a sustainable economic growth, because we felt that this was the best way to meet the aspirations of Canadians throughout this country both now and for the future.

This is a major challenge, Mr. Speaker. The Canada we are building now for the 1990s and the next century must garantee families and individuals a higher standard of living, together with a better protection for the environment, an updated medicare, a satisfactory welfare system and quality education.

We need a strong and competitive economy to create jobs, provide services and create opportunities for our children.

• (2250)

As the Minister of Finance was saying, we are meeting our objectives in two ways. Firstly, we are continuing our efforts with a view to eliminating the debt and curbing the growth of the public debt. Secondly, we are basically and consistently renewing the economy to spur private initiative and improve the efficiency of public management.

Our initiatives will generate sustainable growth and productive jobs in the future. Among the most important are the Canada–United States Free Trade Agreement, the privatization of Crown corporations, the deregulation of the energy and transportation sectors, pension reform, direct taxation reform and the new Labour Force Development Strategy. The GST will eliminate the tax which is detrimental to our exports. Canadian exporters will be on an equal footing with foreign competitors in domestic and international markets. Finally, it will increase our competitiveness and economic efficiency and create jobs.

The GST will replace the current 13.5 per cent federal sales tax. It bears frequent repetition because most Canadian citizens are not aware of this fact. In addition, we know that this tax has a negative impact on the economy. It harms Canada's domestic production and exports and favours imports. Overall—and everybody agrees on this—it is complex and not very reliable. It is

important to note here that Canada is the only industrialized country that still collects this kind of obsolete sales tax.

Under the circumstances the GST is a rational and sensible choice from an economic standpoint because it favours business competitiveness and Canadian economic growth. Thanks to the GST, Canadian manufacturers for the first time will be in a position, to operate on a level playing field. With the new GST system, the invisible sales tax will be eliminated from the goods and services production process in Canada. It will also be eliminated from our exports. Similarly, imports will be taxed the same way as domestically produced goods. Moreover, the implementation of the GST will make possible an estimated $10 billion increase in the Real Domestic Products each year. Every region and every industry will derive economic benefits from the federal sales tax reform.

The GST is a fairer system. The GST credit is a simple and fair way of protecting low and modest income Canadians. Through that credit, families earning less than $30,000 a year will pay less tax under the new GST system. Small businesses will benefit from special measures. Businesses will have no difficulty complying with the GST because of its large tax base and single rate. Generally, businesses will be eligible for a series of measures especially designed to help them implement the tax.

To sum up, Mr. Speaker, this Government has dealt with the problem of an economy that was left adrift in 1984. It has spared no effort and accomplished very significant progress.

It is no coincidence, Mr. Speaker, that Canada has the second largest economic growth among industrial nations after being eigth in 1984. It will be remembered that in 1984 there was a Liberal Government. Today, we are continuing our efforts by tackling an outdated and harmful tax system. We are now proposing a system that is a sound choice. That is why again I am urging the public and especially business people to make a sound choice and co-operate with us in implementing the GST. In this way, together we can go on building a strong and competitive economy, thanks to the courage shown by this Progressive Conservative Government I am proud to be a part of. And thanks to the leadership shown by the Prime Minister.

[*English*]

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I rise tonight to speak on the goods and services tax, just some 24 hours since I had the experience of attempting to do so last evening in my own constituency.

My constituents gave me a message which they asked me to transmit to my colleagues in Parliament and to members of the government. I have already, in fact, done that in part in private conversation, and I will faithfully fulfil my responsibility by doing so during the course of my remarks, at least at this preliminary point this evening.

As you may know, there have been a number of meetings organized throughout western Canada where there has been considerable opposition expressed to the goods and services tax, not the least of which was one in the community of Brandon last evening.

There are two messages which those meetings very clearly convey. One is a very strong message in which the Minister of Finance will probably take some heart. That is the fact that there is an indication that they wish government spending to be curtailed in a very substantial way.

I repeatedly attempted to point out that this government has done a great deal to get its financial house in order, the fact that we have increased spending on programs by only 3.6 per cent on average since 1984, whereas the previous administration increased spending on programs by some 13.6 per cent between 1980 and 1984. Although there is very substantial progress as evidenced in those statistics, it was also clear that my constituents, and I believe many other constituents in Canada, are asking government to reduce spending even further.

In the upcoming budget there will be a very major effort by this government to reduce the annual debt even again. We will have made progress from the $38 billion of 1984-85 to the $30 billion in the current fiscal year.

I only hope that Canadians, including my constituents, will understand that it is impossible to reduce government spending in any way which will not impact on some Canadians throughout the country, and that it is impossible to reduce government spending without reducing some of the services which government provide. There is

a price which we as Canadians must pay if we are going to reduce spending as citizens seem to be demanding.

I think it is also important to understand that we as a government have not done a particularly good job of ensuring that people throughout the country understand the goods and services tax proposal. Far too many people believe that there will be some sort of multiplication of the goods and services tax that will be applied at each and every stage. They do not seem to understand, despite our efforts, that what the businessman will pay is the difference between what he himself has paid on the goods and services which he buys and on the supplies which he sells.

• (2300)

It is important to point out again that the reason for the goods and services tax is to replace the hidden 13.5 per cent manufacturers' sales tax which has been in place in this country for some 60 years.

It is important to remind Canadians that governments, beginning with the 1950s, understood the inadequacy and the inefficiency of the manufacturers' sales tax.

It is important to point out that there are some 75,000 instances in which the manufacturers' sales tax has been applied in Canada and there are some 22,000 separate arrangements. The inefficiency and inequity of that is apparent to those who are directly part of the manufacturing scene, but I am afraid it is not necessarily apparent to all Canadians.

It is important to understand and to reiterate over and over again how the manufacturers' sales tax discriminates against those who work in manufacturing in Canada. It discriminates against those who would find jobs in the manufacturing sector because it makes domestic production in Canada more expensive than imports coming into the country. There probably is not another country in the world which has such a policy in place.

In addition, of course, the fact that the manufacturers' sales tax is applied at the wholesale level also means that the exports that we would sell to our competitors abroad are more expensive. It makes it more difficult for our businesses to compete and again that means fewer jobs for Canadians. We are the only industrial nation in the world that has continued to rely on a manufacturers' sales tax.

It is interesting that this government has often been accused of governing as a result of public opinion polls. We have been accused of following public opinion rather than providing leadership. You do not have to be a political genius to understand that the goods and services tax, to this point, has not been an overly popular proposal. Therefore, you have to come to the conclusion that we believe as a government that it is absolutely essential for the future of this nation that we take this leadership stand.

It is important for our children and for our grandchildren that we provide the kind of economic leadership which will ensure that there will be more jobs in Canada, that there will be a fairer and more equitable tax policy in the future than there is at the present.

It is also important to point out to Canadians that there is, in the goods and services tax, policies which will help us address the debt because there is a very widespread demand among the public that the annual debt and eventually the national debt be reduced.

One of the things which a goods and services tax will do is ensure that the $2 billion which was deliberately set aside in the last budget will be there as part of the annual debt reduction process.

As you know, Mr. Speaker, but which unfortunately not all people understand as yet, with the abolition of the manufacturers' sales tax and the provision of the goods and services tax rebate to lower and middle-income Canadians, some 8.7 million families will in fact be better off. Those earning $30,000 a year or less will actually be better off in the future under the goods and services tax than they are at present.

The fact that the manufacturers' sales tax is a hidden tax, that it is on virtually everything we buy but that we do not see it, makes it difficult for many Canadians to understand. It is a point which we as a government must continue to address over and over again.

The manufacturers' sales tax will disappear. It will be abolished as of January 1, 1991. That means that there will be a very substantial saving to consumers at that stage. It also means that it will permit Canadian businesses to be more competitive in the future than they have been in the past.

I also want to stress the fact that there is a greater degree of equity in the goods and services tax in that it will be far more difficult for those Canadians who have

succeeded in the past in escaping their taxation responsibilities to do so in the future.

Much of the mail I, as a member of Parliament, get from my constituency of Brandon—Souris and elsewhere in the country is addressed to the fact that many Canadians believe that too many people escape their taxation responsibilities. One of the advantages of the goods and services tax is that there are fewer opportunities to evade those taxation responsibilities.

As you know, Mr. Speaker, the Estimates now indicate that some $2 billion is owed to the government on an annual basis from the manufacturers' sales tax that is not collected. One of the advantages of the goods and services tax is that that will be more equitably collected in the future than it is at the present time.

In addition, as you know, as part of the change in policy from a proposed 9 per cent to a 7 per cent goods and services tax, there is an increase in the taxes which the large corporations will pay and there is also an increase in the personal income tax which higher income Canadians will pay. I think that is something which will be generally applauded by Canadians when it is understood.

In closing, I would like to speak about reduction in government expenditure because that is very much a part of the concerns which my constituents and others have been expressing. It is important to remind ourselves that this government has in fact reduced the civil service by some 12,000 positions since we came to power in 1984. It is important to remind Canadians that 16 Crown corporations have been privatized. It is important to remind Canadians that employment in those Crown corporations has been reduced by some 60,000.

While this is not necessarily popular with all, and certainly was not popular with some of the labour members in the community last night, particularly those who are employed by the federal government, as you might expect, the reduction in the size of the federal government is something which has been very much demanded by the public at large.

The cost of providing government has been substantially reduced. In fact, the civil service today is the same size as it was in 1973. There has been a very, very substantial reduction in the operating costs of this government.

In closing I want to repeat what I said earlier on in my remarks because it may be one of the most significant statements that has been made in recent months with respect to the cost of government. From 1980 to 1984 the cost of providing programs, the very basic programs on which this government and all governments have depended, rose by some 13.6 per cent. Since 1984 the cost of providing those same programs has risen by only 3.5 per cent per year, less than the annual cost of inflation and, I think, evidence of the commitment of this administration to good fiscal management.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I do not know what I could do in 10 minutes to really highlight this GST. I clear my throat in 10 minutes. Well, I am going to give it a try.

The GST has been called by the member for Mississauga South the gouge and screw tax. Others have called it the grief and suffering tax, but I want to tell you, I call it, God save the Tories, because I cannot. Only the Almighty can do that.

I have been around this House for some 13 years as an MP. I thought we had reached the apex of arrogance when we had the Liberal government in office. I thought we had the ultimate in arrogance but these Tories have gone far beyond that. They could teach Liberals a few things about arrogance, and that bothers me. That is hard to do, but I want to tell you that their arrogance is beyond anything Canadians and I have seen for a long, long time around this place.

I say that because in fact the Tory government has consistently lied to Canadians. We remember the debate in 1984 with Ed Broadbent, the member for Vancouver Quadra and the Prime Minister. The Prime Minister responded to our leader at that time by saying that the rich would pay, and that not only should the rich pay but it should be a handsome tax.

Then we have our friend, the finance minister, who made a speech in Montreal and said: "There is only one problem with Canada, we have too few rich people". Then he proceeded to create all these rich people in the succeeding budgets.

He said in the House in June, 1987: "We all know that the tax system allows many profitable corporations to avoid paying a fair share of tax year after year. We all know it allows some people with very high incomes to

pay less tax than the average Canadian wage earner year after year." Now why, I ask you logically, does the government, which wants money, not go to people who have got money? Why is he going to the poor people with the GST and all the other taxes? The Canadian people do not have it.

• (2310)

I want to tell you that I hear the rumblings out there in the grassroots. They are sick and tired. If it is not the provincial government it is the municipal government, school boards, all kinds of commissions and the federal government going into their pockets constantly. The member from Souris did not have to tell us what his constituents told him last night. We saw it on television. We saw it in Technicolor on television.

It seems that this whole point is being missed. Why are 80 per cent of Canadians opposed to this tax? Never mind all of the fancy rhetoric about how we are going to be competitive. Never mind all the fancy stuff about how we are shifting from 13 per cent to 7 per cent; more is less, less is more; war is peace, peace is war; weakness is strength. Never mind all the double talk.

You can make all the logical speeches you want about this GST. You can make all of those speeches that you think are putting something across. Ordinary Canadians watching look at you and say: "We know who the defenders of the rich are in this country". They say, very logically: "Why should I pay one more new tax, one penny of new taxes, when in fact this government has not moved to make sure that those who get the most out of this economy, the most out of this country, pay their fair share of taxes?" They ask themselves that question.

When they see, for example, that Robert Campeau can go out and borrow money to go on a shopping spree and write off the interest he pays on the money he borrows against his income tax, they say: "Why should I pay more taxes?" When they see that last year it cost the government $1 billion for the three martini lunches of wealthy Canadians, why should they pay one penny of new taxes? When they see that previous governments in this country audited corporations and found hundreds of millions of dollars and, lo and behold, this government has cut back on the auditing of corporation tax returns, why should they pay one penny of tax more?

They are not fooled by all the flam-flimmery, the bamboozling and all of the other stuff that goes on over there. You can do all you want, you will never persuade them because they know you for who you are.

We have it on record. It is in *Hansard*. John A. Macdonald, the antecedent of these members across the way, in one of his first speeches in the House of Commons, said: "In this fine young country of ours the rich are a minority and it has always been my practice to defend the rights of the minority". I want to tell you, Mr. Speaker, that is a time honoured tradition among Tories. That tradition of defending the rich is still in place. After all of their tax reforms, after Mike Vader and the Evil Empire over there finish all their tax reforms, lo and behold, the dust clears and we find, in fact, the middle class and the poor are paying more in tax, percentage wise, than the rich. The rich get the breaks. They believe in a trickle down theory. Well, it does not work.

I see the member for Mississauga South. Look at the arrogance in which they view Canadians. He said in the finance committee: "What is the point of going across the country for tax hearings on this GST? Why should we go across the country and listen to a bunch of nobodies repeat the same thing over and over?"

He goes to Alberta and what does he say to them? He said he never found so much ignorance as in Alberta, that they would have to hire a whole bunch of grade five schoolteachers to teach them about the tax. The hon. member said there is a lot of ignorance in Alberta. I want that to be on the record. That is the arrogance of Tories. He is not prepared to go to Newfoundland unless he can get one first-rate brief. He judges what first rate is. He judges. They are not interested in that.

I want to tell you that when this bill goes to the committee there will be a great push by Mike Vader to push it right through in two weeks.

It hurts me when I think of how they defend their rich friends. Guess who is exempt from this GST? You will not believe this.

An hon. member: Bankers?

Mr. Rodriguez: No, not bankers. Stockbrokers, brother. And what is Mike Vader's profession? He's a stockbroker. He is exempt. I mean the race-tracks are going to be taxed but not the stockbrokers. Now, you tell me the difference between a stockbroker and a race-track tout. I do not know the difference between a stockbroker and a race-track tout.

I did not think it was possible for any government to tax sex. I thought that was the ultimate, that no government could tax sex. Well, they have done it. The Tories have done it. They are now going to tax condoms. Can you believe that? The only good thing I could see from that is that it could limit the number of Tories that we might eventually get in the House of Commons.

Some hon. members: Hear, hear!

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I am pleased to follow the hon. member for Nickel Belt, although no one can really follow the hon. member for Nickel Belt.

I must say that it was a great, thoughtful speech, especially about housing and the tax on condos. Oh, I'm sorry, it wasn't condos.

I have only one thing to criticize in his speech and that is when he called the GST the God save the Tories tax. That is blasphemous. Not even God, not even She, could save the Tories on this one. They are going to go down to defeat.

I want to stand back a moment and have a look at some of the things that are happening in the country. Let us just look at what is happening. One-sixth of Canadians are in poverty in this country. Over one million children are poor. These are the recent statistics. Over one-half of single women are poor. There is high regional unemployment in the country, despite an economic recovery. The part-time jobs that are being created are low paying. There are plant closures in the country laying off workers. Older workers cannot get retrained and cannot get new jobs.

We are way behind the European countries in retraining. We have high and growing levels of dependency on social assistance. We have more and more food banks and line-ups. We have discrimination in wages and jobs against women, visible minorities and disabled in this country, and we have a growing homelessness in our cities. And what does this government do? It brings in a tax which is basically, as everyone knows who knows what a sales tax is as opposed to a general tax, a tax on the poor.

We have increasing poverty and the government's remedy is to bring in a tax on the poor. I saw the Minister of Finance there a moment ago. Let me say to the Minister of Finance and the House that he has a problem. We have a problem as a country because the last budget projections were for a debt of $30.5 billion. But that was based on interest rates of 10 per cent. We have had interest rates almost at 13 per cent for a year and so the government is going to have a shortfall of $5 billion.

• (2320)

That is another reason the government is bringing in the goods and services tax. The government of this country is broke and it has to collect more money because of its own high interest rate policies. It has had a high interest rate policy to protect the small area around Toronto, the Golden Horseshoe, from inflation, and it has penalized the rest of the country. Now it is flopping over, if you like, to the whole country.

I predict that we are going to see cut-backs in the upcoming budget. The cut-backs will be in transfers to the provinces in two ways; on education and on health care. If you are going to have a modern industrial country that really works and is up there with the leaders in a modern industrial world, you have to put money into education, good health care and retraining of workers.

The economic policies of this government, based on the GST, are really going nowhere. I ask the government to listen. This is not idle rhetoric. In my constituency of Port Moody—Coquitlam, since the Conservatives got into power, the people who have really suffered, and will suffer from this tax as well, are the family people who are making $25,000 to $40,000 a year. An average family making $25,000 a year has seen a 60 per cent increase in real terms in taxation under the Tory government.

The rich lawyers, brokers and so on, spoken of by my friend previously, who are making $125,000 a year, have seen their income taxes drop. That is scandalous in this country. People are beginning to understand that.

People say: "Well what would you in the NDP do? What is your solution?" It is all very well to criticize, because no one in this country likes this tax. Well, let me suggest what we would do. Here are some possibilities. We could cut the capital gains exemption. Why should

there be a capital gains exemption for brokers and investors up to $100,000. We could do that because the average working person has to pay taxes right off the top of their cheque. They do not get capital gains exemptions. We are not talking about houses or farms, we are talking about the general exemption for making money in the market and so on. That would bring in $1.5 to $2 billion right there.

Then we could look at the interest rates. I have already said that the interest rates are going to put the projections in the budget of the finance minister $5 million out of whack. We are going to see it in two weeks in the budget that comes up. The government should be cutting interest rates by 2 per cent. If the government did that we could save $3 billion in interest payments.

Third, we should look at a corporate minimum tax. Why is it that a bank teller in this country still has to pay tax when some banks are not paying any tax and 60,000 corporations are not paying taxes? There is a tax revolt in this country. Whether you go to rural Alberta, where the Tories would not win a seat today, or to suburban British Columbia or suburban Toronto, the Tories are in trouble and there is a tax revolt.

There should be a corporate minimum tax. Reagan did it. We can do it here and the government could make another $1 billion.

Finally, there should be a wealth tax in this country. It is done in 13 of, I believe, 21 of the OECD countries, the industrialized countries. We could collect more money there.

This is an alternative to the goods and services tax and I challenge the government members to get on their feet and rebut me on these figures because here is an NDP alternative to the GST.

Let me conclude, Mr. Speaker, by saying that I am proud of the fight that we in the NDP have put up in this House against closure, using all the legitimate legal tactics, to show the country that it is the NDP that is against this tax. Further, I have advanced a four-part alternative to the tax. So we have been very positive when we say there is an alternative.

To take that route, as the hon. member for Nickel Belt said in more colourful language than I used, you have to make a choice, you have to favour the ordinary people, the working people of this country, the families, the average and lower-income people and not the rich, which is the route the Tories have taken.

Finally, I want to add—and I wish I had more time to outline this better—there is an economic alternative to the Tories' policy of low wages which they say we need to have because we have to compete in the world. In Canada we should be looking at a high wage, high productivity, and an educated labour force. Yes, that is the real way to the future. We have to bring capital and labour together.

This will be the NDP's future economic alternate policy. We have advanced an alternative to the GST. We have advanced a new economic policy. I say to the Conservatives that the country is listening to this because it is fed up with the Conservative government, it is fed up with this unfair tax, it is not going to be gouged and screwed any more.

Mr. Peter L. McCreath (South Shore): Mr. Speaker, I believe that Canadians want a government that can provide sound economic management, a government that understands economics, a government that is going to bring this country in the direction of growth, economic development and competitiveness and is going to increase the number of job opportunities that are meaningful and substantial for Canadians.

Canadians want facts, not flights of fancy such as we have heard from my friends on the other side. They want reality, not mythology. They want the truth. They do not want to be misled and misconceived as has been done, not only with this much maligned bill but indeed on previous occasions.

I am proud to stand in my place today and support Bill C-62 which is a very important piece in a sound economic program that this government has brought in over the course of the last five years which is going to lead and prepare Canada for a competitive place in the international economy of the 1990s and indeed in the next century.

Let us talk about what the GST is, not what it is not. The GST is a consumption tax. It is one of a balanced program of taxation. Consumption taxes are not new in Canada. We have had a manufacturers' sales tax, a

hidden federal sales tax, since 1924. Consumption taxes are an important element. They have an element of fairness, or they should have an element of fairness. One of the things that this bill and this new proposal is going to do is put together a fair form of consumption tax.

In 1924 people bought a lot of manufacturers' goods and the tax was applied. Since then we have had a plethora of exemptions here, there and everywhere else. A lot of Canadians choose to spend their dollars, not so much on buying goods but on services. Why should the people who prefer to spend their money on goods be penalized to the benefit of people who prefer to spend their money on services? The idea is to have fair taxation and surely all members of this House support the concept of fair taxation.

What we have here is not a new tax. We have a replacement tax, an updated tax, a tax which exists in 48 other industrialized countries of the world and in most of them at a considerably higher rate than the 7 per cent rate that is being opposed here. Take a look at 27 per cent in Sweden, 18 per cent in the United Kingdom, 19 per cent in Belgium. These people over here would try to mislead Canadians into thinking that they will be destroyed by a 7 per cent sales tax applied fairly across the board.

When I hear suggestions that poor people and low-income Canadians are going to be disadvantaged, I cannot help but remember the free trade debate and the terrorization of senior citizens that went on by some people on the other side. It was an attempt to mislead Canadians into misunderstanding the sound management that this government has brought this country.

Some friends opposite talk about polls. The only poll that counts, I remind them, is the one on election day and Canadians elected this government for the second straight time with a historic back-to-back majority because of sound management of the Canadian economy, and they will continue to do so.

Why the GST? Why is the GST important to Canada? It is important to Canada because competitiveness is important to Canada. As Canadians we want our economy to grow. A growing economy means more wealth for Canadians.

My friends in the NDP seem to be against people being wealthy. They seem to think they are the only ones who speak for low-income Canadians. It is this government that is protecting low-income Canadians. Most of my constituents could be described as low-income Canadians. They are Atlantic Canadians. Atlantic Canadians will benefit from the GST and they will benefit from the credit that comes from the GST.

Why do my friends opposite not remind the people that nobody below the income rate of $30,000 is going to pay more with the GST? They are going to pay less. They are going to be the winners under this GST. It is a fair form of taxation that is going to do that. Why do they not mention that? Why are they against the growth of the Canadian economy? Why do they oppose the idea that Canadian goods should be more competitive both in our own markets here and abroad by the establishment of a tax system that removes the disadvantage that exists against Canadian goods, by having an across the board system, by not putting a manufacturers' sales tax on goods that are being exported thereby making our own goods more competitive? Why are they against debt reduction?

• (2330)

The Minister of Finance pointed out that this would be a revenue neutral tax as it will be on the present basis, but it will in fact accrue additional revenues because the Canadian economy is going to grow. When we have growth we have more development, more wealth, and consequently more people pay more taxes and the revenue side of government benefits. That is the way it should be.

Why do my friends opposite oppose another advantage of this tax, that we should have a visible as opposed to an invisible tax? They are trying to hide from Canadians the fact that the 13 per cent manufacturers' sales tax is going to come off. Why are they not talking about that? It is going to be replaced by a 7 per cent tax across the board. We believe that taxes should be up front so the people can see them. We do not hide from what we are doing, because we know what we are doing is in fact a good thing.

There are special groups within the economy of our province in Nova Scotia that are going to benefit from this tax. Farmers and fishermen in particular are going to be winners because they are going to have an opportunity to participate in decisions. Their products are going to be exempted from this tax. As a general rule most businesses will pay GST on goods and services they buy and charge GST on their sales. The difference between the two, tax charge minus tax paid, will be remitted to the

government. If the business has paid out more tax than it collects, the government will refund the difference.

However, most sales by farmers and fishermen will be zero rated under the GST. This means they do not charge any tax on their sales, but they can still claim the refunds for all GST paid on the goods and services bought for their business. They will receive their refund within 21 days of filing. That is going to be a very good deal for fishermen. I have 7,500 people in the South Shore dependent upon the fishing industry. They are going to be winners under the GST. I have a significant number of farmers. They are going to be winners under the GST.

Yet, my friends opposite are against it. Small business people are going to be winners under the GST because of the increased tax flow benefits. They are going to get the benefit of input credits as well. The suggestion across the land is that this is going to be complicated is criminal and shameful. We already collect sales taxes in this country.

People are saying that certain kinds of industries will be destroyed. There is a lot of concern in the hospitality industry. I remember when the province of Nova Scotia levied a sales tax on restaurants and other hospitality industries not so long ago. There was doom and gloom, and there was going to be the destruction of the industry. It has not happened. The industries are booming as never before in Nova Scotia, and so it should be. The increased competitiveness of the Canadian economy will assist us with this tax and will assist our hospitality industries as well.

There will be some adjustment, there is no question. Whenever we have change there is adjustment. The question is: Do Canadians want a government that has the courage to meet the change, or do they want a government that hides in the sand, dreams up fairy tales and ignores the reality of economics and growth in an international and evolving world? The GST is part of a package that will assist Canada to move out into the world and to take its rightful place among the leading nations of the world. That is the way it should be.

The GST quite clearly is going to be good for Canada. It is going to be good for Nova Scotians. It is going to take a little time because there are so many misconceptions out there. However Canadians are finding out the truth and, when they find out the truth, they will talk to my friend from Nickel Belt who was speaking earlier and talking about who lies to whom.

When Canadians find out the truth, the results of that will be not that we need a God save the Tory tax but that we need a God save the NDP and the Liberal tax. Once again, after the truth has sunk in and people understand what it is, the result is going to be that Canadians will do in the next election exactly what they have done in the last two elections: They will recognize good government when they have got it. We will see Canadians glad that they have a government that has sound management. Indeed, we will see the return of this government, this Prime Minister and hopefully this Minister of Finance for a long time in this country.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I welcome the opportunity to speak this evening in the Bill C-62 debate.

What are we talking about tonight but a vision of Canada, whether we go back to Sir John A. Macdonald, to Confederation, to John Diefenbaker and *Roads to Resources* or to our Prime Minister today and free trade, Meech Lake or goods and services.

That is why in 1982 I decided to run for this party. The leadership of the Conservative Party of Canada has always had a vision and a direction: to help Canada grow and prosper. The goods and services tax is just another example of the vision and the boldness that make great leaders and a strong Canada.

I would like to vary my comments a bit before getting into the goods and services and talk a bit about northern Ontario, about the facts, the concerns and the good things that this government has done for northern Ontario in the last number of years.

Let us look at the FEDNOR Program by which we have contributed over 1,300 jobs to northern Ontario or at Community Futures, a couple of projects which I feel indicate that northern Ontario is finally being recognized by this government in Ottawa. Previous governments never did that.

Let us look at a manufacturing plant which is going into North Bay. It will distribute toilet facilities across Canada and the United States. It was to go to Kentucky but instead is going to northern Ontario.

Let us look at a new science research centre that is going into Sudbury. It will be the only one in the world. Where will it be placed? It will be in northern Ontario.

The list goes on, but with only 10 minutes I would like to deal with the subjects that we are talking about tonight.

Yes, there are problems in northern Ontario. They have nothing to do with the free trade agreement or the goods and services tax. Whether we are dealing with world prices, low grade ore or depleted resources, no government can control them.

The approach that we are taking makes common sense. There is a common misconception out there about the goods and services tax. I wish the opposition would sit down one time and do what should be done for Canadians: give them the opportunity to understand what this is all about. The security and the future of Canada are based on this.

The goods and services tax can continue to pay for the programs and services that Canadians value. We heard prior to the last election that if we signed the free trade agreement the Canada pension, old age pension, baby bonus, health care, and education would all be gone as of January 1, 1989. The same tactics are being used again with the goods and services tax.

We know what happened when we signed the agreement. We still have the Canada pension. We still have the baby bonus and we still have health care. We can still have those programs after the goods and services tax.

The essential part is that the old hidden 13.5 per cent tax was difficult to collect and unreliable. As someone who has worked in an industry that had to compete on the basis of imported goods coming into Canada, let me tell you, sir, that the old system has to go. For the manufacturers in Canada to compete both in the country and internationally we have to go to this new tax system.

Mr. Speaker, you would almost think with the speeches you have heard here in the last number of days that this was the only country doing this. There are 48 other countries are doing it. In fact earlier tonight I had the opportunity to meet a couple from New Zealand who said to me that what this government was doing was certainly correct.

We have to change from an old, outdated tax system to a new, aggressive system that is going to enable Canadians to have a bright future. In all regions and sectors of this country the economy will benefit from this over the next decade. The output will expand by an additional 1.4 per cent or $9 billion into the economy.

• (2340)

The refundable goods and service tax credits will be paid four times a year to 8.7 million families. The first payment will be done in December of this year. Families who earn $30,000 a year will be paying less taxes after this is put into place.

The basic groceries, prescription drugs, residential rents, existing housing or child care will not be taxed. The price of manufactured products is going to be reduced. The very small business with sales under $30,000 a year can opt out of the GST and will not have to charge tax.

Restricted government spending will enable us to reduce it from 9 per cent to 7 per cent, by $700 million, to get this lower rate. To maintain our commitment to protect the lower and modest income families, we have done that. The days of less taxes after GST are now here.

In closing, we are not walking into the future with a blindfold on. We have policies and directions. We are making tough decisions. We are not seeing our initiatives through today. We are not looking for votes and headlines for today. What we are looking at is building a future for Canadians, a future for tomorrow, a future for our children, our grandchildren and our great-grandchildren.

I am so proud to stand here tonight with my colleagues, the finance minister and the Prime Minister, to take our country forward out of the red ink that has destroyed this country, that has not enabled us the opportunity to build on our strengths because of the huge debt, and to be able to look at another leg to ensure that in the future Canadians have the opportunities that a great number of us have had over the last 40 years.

We can no longer stay with what was good today and yesterday. Those are policies from across the way. This Conservative government and this Prime Minister have a vision of Canadians. The goods and services tax is a step forward, a step to enable Canadians to have the opportunity for new jobs and new direction.

I am committed, as is everyone on this side, to ensure that there is a bright future for each and every one of us. That future is there for northern Ontario, whether it is with the goods and services tax, free trade or any of the other programs this government is going to bring forward. We are going to ensure that there is a bright future for Canadians.

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, it is always a pleasure to follow on the heels of a couple of members on the government side in order to bring them back down to earth to face the reality of what some parts of the country will be going through and is going through now.

It seems that the government has not to date paid any notice to the fact that one-third of Canada is going to be heavily affected, and in this case I mean the north. The government has chosen to ignore it because the population does not warrant any notice of being given a chance to air their grievance on the issue of the goods and services tax.

We have been hit quite hard over the last number of years. First, in the case of aboriginal people in Canada there was the case of capping of the post-secondary funding on education. Recently the northern air mail service was raised on the average by about 27 per cent. The NWT financing formula has been cut back by $110 million over the next five years, but in the previous year for all the Inuit organizations funding was cut by 15 per cent across the board. We are not doing very well in the north as aboriginal people.

Right now, because of the northern air mail service increases, as I mentioned some time ago, one dozen eggs are going to cost $4.20 and one litre of milk is going to cost $4.50 on the average. That is probably on the low side, because that is taken from one community. Now the government wants to add 7 per cent to either the transportation, the packaging or the service of that already high cost of the dozen eggs, the litre of milk or any other essential goods.

From reading the papers I understand that the government is prepared to spend $14.5 million to advertise the benefits of the goods and services tax. If the goods and services tax is such a great benefit to Canadians as a whole, why does it need to spend $14.5 million to advertise it? Why do we have to take $14.5 million of taxpayers' money and spend it on advertising? Frankly, if I may be so bold, I think the Conservatives should spend that and $14.5 million per year extra on the north and on aboriginal people. I think we could put it to much better use than advertising in the newspapers, on radio and on television.

The government seems to have this attitude: "Yes, we are all concerned about what is happening around the world. We are concerned about what is happening in central Canada. We are concerned about other things". But, the population in my area or my backyard does not warrant notice. My backyard can remain there for some time to come because, after all, there are only 55,000 people in the north.

The residents of the north cannot afford a 7 per cent goods and services tax because our cost of living is already the highest in the country. According to the calculation of the Government of the Northwest Territories prices for goods and services, excluding shelter, average 44 per cent higher in the north than in southern Canada.

Prices in Yellowknife are on average 33 per cent higher than in Edmonton. In October last year, when I asked the Minister of Finance whether they had done a study to determine the effect of the goods and services tax on the north, he said yes, they had to get it all together. I think they were doing the pull the rabbit out of the hat trick. I do not think there was anything there because this was some time in early October, and I still have not received the study I was promised by the minister.

• (2350)

I would like to invite any member who does not believe that our cost of living is as high as I and members of our caucus have been saying to come to Pelly Bay, Yellowknife, Ikhaluit, Coppermine, Cambridge Bay, or Rankin Inlet. They could see for themselves what the cost of living is in the north. The power supply will be taxed and the heating fuel which we really need because of the extreme cold will be taxed. All services will be taxed. Transporting of goods will be taxed. It will be much harder for people on fixed incomes to afford nutritional

food, warm clothing, the necessary fuel to heat their homes, or the power by which to light them.

The tax credit that is supposed to help will not help as much in the north as it might in the south because the cost of food and other goods is already much higher. Also, there is a cap on the tax credit. Basically it will not do that much good.

In the government's technical paper on the GST released last August the north is not even mentioned. It is excluded, omitted or ignored. That has been the characteristic attitude of this government ever since it came to power in 1984. Even when it had two members representing the north, the north never received any notice.

What we are asking is that the north now be given some consideration because it has not had any to date. All the Conservatives have been doing for the last five years is taking away from the north rather than giving. They are worried about sovereignty. We are the people who live in the north. We are the people who create the environmental sovereignty in the circumpolar part of Canada.

I ask the government to give us a chance to prove why we need consideration on the issue of the goods and services tax.

Mr. Friesen: Mr. Speaker, on a point of order I would ask unanimous consent of the House that as a courtesy to the pages who I know study hard and work hard and are kept here inordinate hours we agree that they should go home and hit the books or hit the bunks.

Some hon. members: Agreed.

The Acting Speaker (Mr. Schneider): Thank you pages. Good night. You have done good service. See you again.

Some hon. members: Hear, hear!

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise here tonight to speak in the closing hour of the debate on the goods and services tax. It is almost midnight. This debate will end at one o'clock in the morning.

I am speaking on behalf of the constituents of my riding of Lambton—Middlesex. We are going to be deprived of input into the debate on this major piece of legislation because we are now down to 10-minute speeches. For what I have to say tonight, we should have three times that available to us.

We have had 31 tax increases since this government took office in 1984. I have talked to scores of people across my riding who have attempted to understand this tax and how it will affect them.

People who have read the government's information on the tax and who have logged in calls to the GST hotline reached the same conclusion, that this tax is going to be impossible to work with. Some people who came here from Europe, for example, tell me that this is going to eventually lead to a black market economy which is going to be very difficult to police.

Many of our people are very confused about what is going to happen and how they can possibly administer this tax. I will have to refer to the testimony from the Federation of Canadian Municipalities on the taxation of chlorine, for example, for municipal swimming pools. Just how complex this tax is was reflected in the testimony of Mr. Michael Facey of Calgary who pointed out that there are four different situations: tax-exempt, fully taxed, certain tax-free ones, and others where the tax is going to depend on the ages of the recipients or the service.

If you look at a swimming pool as an example, we have to determine what portion of the repair and chlorine put in that swimming pool is tax-free because the swimming pool is used by children, and what portion is tax exempt because it is used by adults. It will be a bizarre and complex situation.

This is the level of complexity the minister is bringing into the tax system in Canada with the GST. Realistically, how many small municipal pools, community arenas and sports complexes are going to be able to file for tax rebates when faced with such complexity?

All service clubs which are not dependent on government for 40 per cent of their funding and which provide so many services in their communities will be discriminated against by this GST. Groups which provide funding for the blind, the mentally handicapped, for seniors, youth, amateur sports, women's shelters, an endless list

of services contribute to Canadian society and they are being ignored by this government.

These organizations will have to charge and collect tax on many of the goods they sell and on the service they offer. Service clubs which pride themselves on their ability to wear many hats now have one hat they should not have to wear. That is the hat of a tax collector.

Although the minister lowered the threshold for the 50 per cent GST rebate to 40 per cent, he certainly missed the point, which is that the government is penalizing volunteer organizations that are not looking for government handouts to operate. The situation is ridiculous.

Volunteer organizations such as our minor community ball, hockey and soccer should be praised and encouraged, and not penalized for not requiring high levels of government spending.

If the minister really wants to cut the debt with the GST, encouraging groups to seek more government funding, it certainly is a strange way to do so.

Murray Costello, the president of the Canadian Amateur Hockey Association, informed the finance committee that they had never received more than 22 per cent of its annual revenues from government subsidies. Sadly, the only real option for many service clubs may be to limit their success in an attempt to meet the small traders clause of $30,000. Of course, they are then not eligible to claim input rebates. As well, the negative impacts on the communities they serve will be enormous.

As KIN points out, their average club earns in excess of $100,000 a year. Limiting that to $30,000 is no recipe for success.

Just recently the Royal Canadian Legion, Branch 216 in Petrolia, donated a substantial sum to the Petrolia Community Track and Field, raised from its casino night. Under the GST, that would have been heavily taxed. For example, casino games will be taxed per bet at 7 per cent. Bingo cards will be taxed at 7 per cent per card, unless the bingo is operated in a volunteer way and held in a place not used to hold bingos for profit. This is unconscionable.

• (0000)

Finally, a decline in services performed by these organizations will lead to increased expenses for future governments, as they attempt to deal with the neglect this will create. We have already seen the federal government cut back on services it provides for those less fortunate members of Canadian society. There has been a reduction in unemployment insurance, a decline in pension levels through deindexing and the claw back of seniors' pensions and baby bonuses, as well as a failure to provide sufficient day care services for thousands of Canadian children. This is a national disgrace.

In some of these cases service clubs and charities are now picking up the tab, a tab that the government wants to tax with this GST, a tab, which if the government had to pay, as it rightfully should, would then be tax exempt. By foisting this responsibility off onto others, the government can now, it claims, balance its budget.

This is not the only area where similar groups are treated differently under the GST. Listen, for example, to a letter from a constituent of mine, a realty agent who asks: "Why is the federal government's GST proposing to tax my real estate commission and those earnings, although not those of my commissioned counterparts for example, insurance agents and stock brokers." This is favouring one group over another, treating similar groups differently.

Look at the treatment of veterinarians, who are indeed animal health care practitioners. Consider the treatment of the inputs for agriculture under the GST in this light. Feed for cattle will be a rebated tax input. Medicine for the same cattle, on the same farm, will not be tax rebatable. It just makes no sense.

The Ontario Society of Veterinarians argues, correctly, that the lack of exemptions for veterinarians may lead to increased economic hardship and may force farmers and pet owners to decide not to treat their animals. This decision will be based solely on economics and will have inhumane consequences for those animals. Animals that could be healed will be killed because treatment is unaffordable.

It should also be noted that veterinarians make significant contributions to human health by assisting in the control of diseases, making contributions to ensure safe food for Canadians, and many other related things. They

should receive the exemptions granted to other health care professionals.

Agriculture, in general, will suffer under the GST. John Bulloch of the Federation of Independent Business told the annual meeting of western Canadian wheat growers on January 6 that the implications to agriculture are staggering. Bulloch also contends that the GST will be an administrative nightmare for farmers. He told the meeting that farmers will be forced to chase down every seed invoice to prove to Ottawa the amount of GST paid on purchases.

As a western Canadian wheat grower stated in a letter: "Our initial analysis indicates the tax will significantly reduce farming operation margins". The western Canadian wheat growers indicate, among other difficulties, the cash flow problems that will be created for their members by the taxation of elevator tariffs and other taxes.

With a forecast decline of 101 per cent in farm income in Saskatchewan this year, this is one more nail in the coffin.

The Ontario Wheat Producers Marketing Board wrote to the Minister of Finance on January 23 to protest the pressure the GST will place on its pricing mechanism by including cookies and biscuits as taxable food. It warned that Canadian wheat producers must not be forced to fire-sale their wheat to domestic producers and manufacturers of wheat-based food products in order for the manufacturing industry to overcome unjustified taxes, in addition to subsidized imports of wheat products based from the United States.

This is but one effect that agriculture will have to deal with due to the effects of the GST on the economy.

Prairie Pools have recommended that from the start—and continue into the 1990 position paper—to reduce cash flow costs, administrative costs for farmers, that all farm production inputs be zero rated at the time of purchase. To date, the government only states that there will be a list issued of some inputs which will be zero rated. Of course, like all other half-way measures the government introduces to save what is a fatally flawed idea, this one only serves to add further complexity to the GST.

I have to ask this. Why cannot all Canadian farmers be given a tax-exempt number and simply sign the invoice and include that number? This would be much simpler and would save a mountain of paperwork for everyone.

The race track industry is certainly hard hit and may be wiped out, according to testimony provided at the committee hearings. The removal of the current federal levy still leaves $5 million to be absorbed by the industry or to be passed on to the public. As some members may know, an increase in the tax betting severely decreases the number of times a dollar is bet which severely threatens the profitability of the race track industry.

I would like to conclude very quickly. The Minister of Finance has insisted that the GST will be revenue neutral, but he also insists that it is an important tool in debt reduction. Clearly, it cannot be both.

He insists that this tax will be good for Canada, but fails to mention the mountain of paperwork that will be created for all businesses and the increases in the cost to the Canadian people.

[*Translation*]

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, I welcome the opportunity to speak this evening to Bill C-62, and I do so now because in the course of the debate I heard many comments which I feel are misleading and give the Canadian public a distorted picture of the bill before the House this evening.

Mr. Speaker, the purpose of Bill C-62 is to replace a tax that has become obsolete, a tax that is hidden, regressive, and has not kept pace with the needs of Canada's economy. The present federal sales tax puts Canadian businesses in a position that makes it difficult for them to compete with goods manufactured in other countries and imported to this country.

[*English*]

I have also heard comments from members across the way talking about the negative effect that the GST is supposed to have on the fishermen. I would like to address specifically that issue because a great majority of the people in my riding of Manicouagan are making a living from fishing. They are fishermen. I would like, tonight, to explain to the House and to them what the GST will mean to them and to their business.

Under the current federal sales tax system many goods used by fishermen are already tax exempt. However, other things used by them to conduct their daily activity and to make a living are taxed, generally at the rate of 13.5 per cent. These include small vehicles such as pick-up trucks, tools and many repair parts, construction material and other types of equipment and fuel for highway use.

Even the goods that are specifically exempt under the current system contain a significant element of hidden tax included in their price. This happened because the manufacturers and the distributors of such products pay sales tax on many things they buy to run their businesses. These costs are passed on to the fishermen.

The GST has been designed so that the fishermen will get back all the sales tax they pay. The result for them will be real savings in their operating costs.

As a general rule most businesses will pay GST on the goods and services they buy and charge GST on their sales. The difference between the two will be remitted to the government. If the business has paid out more tax than it collects, the government will refund the difference.

However, most sales by the fishermen will be zero rated under the GST system. This means they will not charge any tax on their sales but will still claim refunds for all GST paid on the goods and services bought for their business. They will be sent a refund within 21 days of filing their return or the government will pay interest to them.

Since the fishermen will usually receive refunds, many will prefer to file their GST return on a monthly basis for a quick recovery of the sales tax they have paid. However, if their annual revenue does not exceed $500,000 they can choose to file one annual return and pay in quarterly instalments if this is more convenient to them.

• (0010)

If they have a large fishery operation, they can file on a monthly or quarterly basis. The government is also developing a list of selected major items that will be unconditionally tax free. These items will be tax free and the list will include commercial fishing boats as a matter of fact. The list is being developed with representatives of the affected sector.

Fishermen will also receive the rebate on the federal sales tax which they pay on their fuel. Under the GST they will recover all the GST paid on fuel purchased for their business. Unlike the current system, the rebate will apply for fuel used both on and off highway use, as long as it is used for their business purposes.

The government has three good reasons to implement the GST and get rid of the actual sales tax.

[*Translation*]

First, the GST will help reduce the debt; second, the GST tax credit will make the tax system fairer to low-and middle-income taxpayers; and third, the GST will make the Canadian economy more competitive.

This evening, Mr. Speaker, I would like to take a few minutes to talk about the impact of the GST on jobs and the economy. The tax we have now is making us lose jobs by increasing the cost of our exports and giving preferential tax treatment to imports.

Under the present system, goods produced in Canada, Mr. Speaker, are taxed when they are sold by the manufacturer, whereas imports are taxed when they cross the border. This means that imports are taxed before the costs of advertising, distribution, transportation and the importer's overhead and profit are added. However, goods made in Canada are taxed after all these costs have been included in the price.

Let us take the example of two bicycles, Mr. Speaker, one made in the United States and the other made in Canada. If it costs the Canadian manufacturer $500 to make a bicycle, he must pay advertising, transportation, handling and overhead and think of his profit. Therefore he sells the bike for $750. The 13.5 per cent tax on it amounts to $101.30.

If the same bike is made in the United States, the selling price probably does not include all these costs that are added after the bike is taxed. Thus the importer only pays 13.5 per cent on $500, the cost of making the bike, or $67.50. This means that the tax makes the Canadian bike cost $33.75 more than the American one. That is a good example of how Canadian products are penalized compared to imports.

So, Mr. Speaker, it is most important that the debate end as soon as possible and that the House pass Bill C-62 so that we can implement it and Canadians can benefit from it as quickly as possible, so that our

economy can benefit and so that we can create jobs, Mr. Speaker, and reduce unemployment in Canada.

[*English*]

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, tonight I want to highlight Canada's prosperity and security. Economic strength and political stability give Canada the tools to go into the 21st century and compete with anyone.

National priorities are essential to our progress, our well-being and our future. We are a remarkable country and we must approach the challenges with confidence, understanding and have goals. We must have a vision for the future, a vision for our children. We must make decisions, difficult decisions that move us forward.

Our industrial productivity and economic future depend upon our competitiveness. This country is a trading nation. We take in $30 billion a year in revenue from trade. We have to remove the obstacles, get in there and compete. We must compete better because trade is what makes Canada tick.

This government has a vision. Look at what has been accomplished over the last five years. When we came to office in September, 1984, unemployment was 12 per cent and inflation was 8.5 per cent. We had just come through a devastating period of high interest rates which were at 20 per cent to 24 per cent. We inherited a debt of $38.3 billion and a $200 billion national debt.

In terms of competitiveness we were No. 11 in the world. Capital was flowing out of this country and business confidence was at an all-time low.

This government had a vision, an economic plan to revitalize our nation's economy, and we have succeeded. In five years we have the best job-creation record in the world—1.5 million new jobs, and 85 per cent of them are full-time employment.

We have cut inflation. Our competitive position has moved from eleventh to fourth. Japan is first. Switzerland is second. The U.S. is third, and we are fourth. We are second only to Japan for increased economic growth in the world; and our economy has grown 20 per cent in real terms. We have the best investment climate in the OECD.

Our farm bankruptcies are down 41 per cent. The debt is down by $9 billion. The public service has been downsized by 12,000. The cost of operating the government is down by 10 per cent, but 20 per cent if you take inflation into consideration. We have privatized 18 Crown corporations, implemented the biggest trade deal ever, the Canada-U.S. Free Trade Agreement. We have scrapped FIRA, scrapped the National Energy Program, got rid of the PGRT, deregulated energy, deregulated transportation, and brought in a new National Transportation Act that removed freight rate discrimination once and for all for western Canada.

We have set up regional development agencies, western diversification in Alberta where westerners make the decisions for westerners. We set up the eastern one in Moncton. We set up a western procurement fund of $600 million.

Those are just to name a few things that we have done in five short years.

During that time we faced problems. We assisted the farmers. We poured about $12 billion into Canadian agriculture when our farmers were caught in the crossfire of a price war on subsidies and a disastrous drought situation.

Energy prices fell in 1986 and we implemented a $1.2 billion petroleum program.

We faced two bankruptcies that cost us $1 billion, not because we set out to bail out the banks. We set out to save the investors, pension funds, credit unions, teachers' funds and municipalities.

We inherited a $200 billion debt. We did not create it, and we have not added one nickel to it. What has been added are interest costs, the cost of servicing the debt. We cut program expenditures from 15 per cent per year from 1980 to 1984 to 3.6 per cent per year.

We have made a $25 billion turnaround in five years, and that is through 70 per cent cuts and curtailments and a 30 per cent increase in revenues. If we had not acted at all the national debt would be $25 billion higher today than it was in September, 1984.

We have come a long way and now we face the biggest challenge. That challenge is competition, Europe 1992, the Pacific Rim, the U.S. and the world. We are only as healthy as the goods and services we produce and we sell. We have to become more competitive, both domes-

tically and globally. We must maintain and improve our position in trade.

The present federal sales tax is archaic, obsolete and out of step with the world. Since 1942 there have been 10 known governmental and committee reports, commissions and special studies, all recommending that the manufacturers' sales tax is detrimental to Canada and it has to go.

We did not dream this up. No, sir, we did not dream it up on the spur of the moment. For three years we have had indepth studies under way. We have had talks with the provincial governments. I will tell you that we have waited long enough.

• (0020)

It is right for Canada. If we want to maintain our standard of living, there is only one way to go, and that is to change this obsolete tax. We are the only country in the world to have a manufacturing sales tax while 48 of our trading partners have implemented a type of consumption tax. That is the way we will go.

The old tax is hopeless to administer. It is complicated. There are six different rates and 22,000 different rulings. It is a drag on the community. It is applied to business inputs, the materials, parts and supplies that are used in the manufacturing process. It makes it tougher for Canadian exporters to sell in foreign markets, and it allows imported goods to be taxed one-third less than domestic goods.

We lose $9 billion a year because we cannot compete with this tax, and we lose $2 billion a year due to avoidance and even evasion. That is an $11 billion loss a year.

The GST is a replacement tax and it is going to contribute to debt reduction. It is going to ensure Canada's competitiveness. It is going to improve the over-all fairness of the tax system. There will be one rate which is 7 per cent on all goods and services with the exception of approximately 15 areas where we will have exemptions or zero-rated items such as basic food and health care.

There are going to be refundable tax credits so that lower-income Canadians earning under $30,000 a year will pay less after tax than they do now. These credits will be paid four times a year and will be based on last year's income tax return.

All the tax on business purchases, the input costs for business, are going to be refunded and credited back within 21 days. There will not be a hold up on inventory. Therefore the cost of doing business is going to drop.

There is another special arrangement. Small businesses with gross annual sales of $30,000 or under can opt out of this system.

I would like to emphasize that we are not implementing this tax because we want to. We are doing it because it is right for the country. It is part of our vision. We have to become more competitive.

This is a reliable tax system to pay for the social, environmental and educational programs that Canadians want. It is our challenge and after 30 or 40 years of being told to change it we are now acting and changing it.

In combination with this move major expenditure cuts are mandatory. Deficit reduction goes hand in hand with an effective tax policy. This GST is a predictable source of revenue. It will play a crucial role in our long-term battle to bring down that debt. It is necessary.

In over five years we have moved the country forward and brought the debt down. In 1993 and 1994 the government will no longer have to borrow outside the government and will start to bring down the national debt.

I know Canadians have expressed some dislike for this measure, but I can assure you that we have to have a vision. It will protect our senior citizens. They are the ones who built the country. It will educate our youth. They will be our next leaders. It will train our workers. We will be more competitive.

It is a major and tough change. We were not sent here to do the easy things. We were sent here to do the tough things. You bet.

Not everyone understands the tax. How could they when members opposite are proceeding to fill the constituents of Canada full of inaccuracies? I will tell you that nothing in this world is stagnant. We always have to be willing to look ahead, make the changes that are necessary for this country so we can move on and be in a much better financial position.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, with all those great advantages that this new tax is going to pour on the Canadian people, why would the government try to stifle the debate? It should carry it on for a

few more weeks and get all those good relationships built up with the Canadian public and see if it can convert that 75 per cent or 80 per cent of the people who do not agree.

I am pleased to have this opportunity, even at the late hour, to relate for a few minutes some of the adverse affects that this proposed GST will have on ordinary Canadians—not highly paid executives necessarily, not highly paid professionals, but ordinary Canadians who do their day's work, work their shifts and go home to their families. Maybe they trade in their car every once in a while. If they do, they probably cannot afford a new car. They can afford a used car but there is still going to be a tax on used cars. The statistics will tell you that most Canadians cannot afford new cars so it is going to hit the car trade very, very seriously.

Seniors who have left the labour force cannot easily compensate for these required increases in everyday expenses. They have no way of making up the shortfall. The argument that they will receive rebates to make up for the added costs sounds good and very simple, but are those rebates going to be tied to the cost of living? I do not see any mention that they are. If it is $190 this year, how much is it going to be next year and the year after that and the year after that?

To take the manufacturers' sales tax of 13.5 per cent off big ticket items such as cars, refrigerators, boats and things that seniors rarely, if ever, buy because of their state in life and to impose a 7 per cent tax on practically every necessity in their life is hardly a fair switch. I can tell you, Mr. Speaker, seniors across Canada know that it is not a fair switch and they have great memories. They will have great memories of this at election time.

Remember too that the 7 per cent tax will not stay at 7 per cent. My friends are awfully good at saying all the other countries have had this tax and it is working fine. You know what happened in New Zealand. You know what happened in Britain. Did you see what happened to it in Holland where it went from 12 per cent to 20 percent? No questions asked, it will not stay at 7 per cent. Everybody who is honest and sits across on the other side in the peanut gallery tonight should certainly admit that. Remember too that the peanut gallery will find there will be a tax on peanuts at the same time.

Some businesses were less than honest during the transition to the metric measures a few years ago. Prices were hiked by considerably more than the proportionate change in the weights and the measures and the units. What is there to assure Canadians that that will not happen again? Anyone in their right mind would know that the entrepreneur who is anxious and eager to make a buck will have no hesitation whatsoever in leaving the 13.5 per cent where it was and putting the 7 per cent on top of it. I can tell you that ordinary Canadians are smart enough to know that that is going to happen. They are smart enough to know who imposed that on them. They also have long memories.

All the promised tax rebates for the very minimum wage earners will mean fewer dollars to put into their pockets. Most ordinary Canadians realize that. That adds up to less disposable income, amounting to greater wage demands from the unions, and who could blame them for that? That is an up and coming thing and every sensible thinking Canadian knows that.

The tax, members opposite say, will not apply to existing housing. That is a bit deceptive. All the services involved in acquiring a new house, such as the realtor's fees, the lawyer's fees, the surveyor's fees, all taxes and costs associated with buying a new house will be taxed. For the person who has that kind of equity in the home, do you not think when the house is sold that the price of the house will have to go up? He has to get his equity back out of it. To say that there is no tax on existing houses is not being quite honest. It is a bit deceptive, and Canadians are too smart for that.

• (0030)

The tax will also be reflected on the cost of rental units, even with the controlled rent mechanism we have in Ontario. One can work outside rent controls in Ontario, if there is proof that costs have been expended. For example, if a new foundation or a new roof has been put on the building, tax is going to be added to the cost of those measures, and it will be reflected in the rents charged. Many people renting in this country who have the idea that they are going to escape this GST at 7 per

cent will get a rude awakening when they get the next adjustment in their rent control.

I want to come back to the effect this tax will have on economic growth and employment opportunities for ordinary Canadians. Because it is a tax on services, job losses are predicted to hit the service sector hardest because the service sector is more labour intensive.

The Rideau Lake–Thousand Islands region of my riding has towns and villages in which tourism is the biggest single industry, towns such as Gananoque, Prescott and Westport. Now the government will say the GST will not affect the tourist trade. The American tourist, on whom a great deal of the industry depends, will be looking to spending tourist dollars elsewhere. He is going to avoid Canada. There is no question about that.

A recent article in the *Ottawa Citizen* was entitled "GST Big Trouble for Tourism Industry". It went on to say: "More and more Canadians are travelling south of the border, rather than shopping in their own back yard. Last year, 1989, there were 18 million visits to New York state by Canadians, up from 16.5 million the previous year."

A spokesman for the state of New York department of tourism states that those figures of 16.5 up to 18 million will only increase by the time the value added tax is introduced in Canada. He went on to say: "Anything that makes us look more affordable simply enhances an already strong attraction for Canadians to come and shop in the United States".

If you live in a border town these days, as I do, you would realize the attraction is already there to go to the States to shop. This is going to really make the attraction that much more beneficial for shopkeepers in the U.S., and the trend will continue.

The Conference Board of Canada estimates that the tourism industry in this country will suffer $1 billion a year loss when this tax grab starts to its full extent. It will affect the tours operators, the tourist industry, the airlines, and car rental firms as well. That is a direct quote from the Tourist Industry of Canada. It is not from the Tories. This one is accurate.

By passing the cost of this tax on to the tourist, we are saying to the Americans, the Europeans and the Japanese: "Why don't you stay home. We don't need your business in Canada". This is making it almost impossible to attract tourists, and I can tell you that the nuisance factor in applying for those rebates when they get back home is not going to be enough to compensate and make up for the difference.

The president of the Tourism Industry Association of Canada, John Lawson, recently stated: "It's the Canadian who will be looking to vacation elsewhere that concerns us". The Conference Board of Canada's predictions about slower economic growth in jobs was based on the most optimistic conditions. They assumed, for example, that wages will not increase in 1991. That is a big assumption. They assumed that the Bank of Canada will not raise its interest rates. There is no guarantee of that at all. Perhaps the biggest assumption is that businesses will remove the 13.5 manufacturers' sales tax before they add the 7 per cent. I can tell you that that is a big assumption. If any of these assumptions are wrong, the effects on the economy are going to be even worse than the already gloomy Conference Board of Canada's predictions. It is terrible. The Canadian people have spoken out against this tax grab wherever the committee had its hearings, young people, old people, people with young families, and people with families that are not so young.

Our party is asking the government to wipe the slate clean. Use what the committee heard at the meetings across the country in a positive way, and before any comparable new tax is announced, ask first of all some basic questions. Where is the simplicity that was promised? Where is the fairness that was promised? When one thinks of the existing disparities in this country and add the effects of the tax on people who live in the far reaches of the country the results are very bleak. Admittedly, basic food is not affected, but tax on the transportation costs to get the food on the shelves in those northern outposts will be added to the cost of the product. Complex problems will develop for those least able to pay because of existing disparities, and it will be almost insurmountable for those people to manage.

Where is the assurance that this tax will not be added to the existing tax which it was originally intended to replace? Canadians have spoken out loudly and clearly. If the government chooses to move on and to ignore the concerns of ordinary Canadians, they will do it at their peril, and I can tell you that Canadians will not forget.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, last night I had a dream that at 12.35 a.m. I was in the House of Commons debating a bill. Tonight, I find myself immersed in a nightmare with my colleagues on this side of the House debating a goods and services tax legislation, a tax that should be withdrawn and thrown out of this House completely.

However, I believe that the people who represent the government in this House have not gone to their ridings and spoken to the people there so they can understand how seriously they feel the negative impact of this proposed legislation will be. Perhaps to bring it down to earth, I can describe what the people in my riding of Northumberland are telling me about the goods and services tax.

Northumberland is a riding which lies between Toronto and Kingston on the shores of Lake Ontario. My riding is from Lake Ontario in the south to Rice Lake in the north and includes 14 small communities of significant employment and significant population, but with scattered areas of smaller population. The people in my communities represent a very broad spectrum of demographic population. They represent youth, young adults with families, seniors, those on fixed incomes. They strive in my communities to provide a diversity of services to their citizens and they are very proud of the social, educational, recreational, and cultural services which enhance the attractiveness of Northumberland.

The economic base of Northumberland riding is diverse. It includes an agricultural component, a tourist component, light industries, small businesses, and service industries predominate. People from all of these economic sectors in Northumberland have approached me and have spoken very strongly about their concerns of the goods and services tax and the impact it will have on their lifestyles, their economies, their family life, their security.

We live in a very beautiful area of the country. It is a growing area because the secret of our beauty is getting out. Nonetheless, on an individual basis people in my area are very concerned. The people who have spoken to me are music teachers, dance teachers, lawyers, accountants, small business people, the variety and corner store operators, real estate agencies, the homebuilders association, horse breeders and race track operators, bowlers, users of McDonald's, seniors, those on fixed incomes, farmers, and consumers in general.

• (0040)

People have spoken to me about the impact of the goods and services tax on housing in Northumberland. It is a growing area and prices are rising, but they are very concerned about the inflationary impact of the goods and services tax. As we all know, the goods and services tax favours high-income Canadians while doing nothing for low-income Canadians and adds to the affordability problem of housing for low-income Canadians.

You can still find a few houses in my riding that are valued around $100,000. With 4.5 per cent added to the value of such a house the price of the house will rise to $104,500. This is a starter house. It means that a young family trying to get a roof over their heads is going to have to come up with a larger down-payment, making highly priced housing even more difficult for them to own. A house priced at $200,000 has $9,000 added to its price, bringing that house up to $209,000. Although the GST does not apply to existing housing, the increased demand for existing housing not subject to the goods and services tax, will push up the prices.

There are rental implications as well. The goods and services tax, because it is added to the cost of repairs and servicing, will have to be reflected in rents and rents are expected to rise by $40 to $50 per month in my community. Small businesses are to expect a $1,000 one-time credit in 1991 to cover the costs of instituting the GST. But it is estimated that small businesses will incur an ongoing cost annually of $1,900, and small business operators have talked to me about the equipment which it will be necessary to install, which is over $1,000.

There is confusion in society about the items that are taxed and those that are not taxed. In my riding there are many small communities with corner stores and small grocery stores. There is going to be untold confusion because some items are taxed and some items are not. Clothes are taxed, drugs are not taxed. Furniture is taxed, medical devices are not taxed. Restaurant meals are taxed, basic groceries are not taxed. Doughnuts are taxed, bagels are not taxed. Muffins are taxed, raisin bread is not taxed. The list is endless.

At present there are non-goods and services tax provisions in the goods and services tax legislation package about which people in my riding have expressed concern. At present, we have a 3 per cent income surtax on medium and low-income Canadians and a 5 per cent surtax on higher income Canadians. Through this legislation that surtax will rise to 5 per cent and 10 per cent respectively.

The government has decided not to implement the tax rate reduction to middle-income earners, as promised in 1987. This will cost a middle-income family, with a $40,000 income, another $200 in income tax. No provision exists to limit the impact of the goods and services tax regionally. Hence, in northern communities that experience transportation costs, there will be increased costs on goods.

The government regularly accuses the Official Opposition of criticizing the goods and services tax legislation and not proposing alternatives. This is simply not so. What the government has set as its own objectives for tax reform are fairness, competitiveness, simplicity, consistency, reliability. We believe that the goods and services tax proposed violates all of these objectives.

This government has increased taxes numerous times since coming to power, taxes that in total have had a regressive impact, reflecting a mean and heartless administration, a tax system which in general provides benefits to those with high incomes, and penalties with inadequate compensation for those on fixed, middle and low incomes.

We have recommended an alternative. We asked the government months ago to bring down the high interest rates in this country. High interest rates contribute more to our ever increasing national debt than any other single factor. Increasing taxes in the piecemeal, regressive fashion this good and services tax legislation proposes, brings Canadians much pain with no gain.

We depend upon tax revenues to support programs which are important to our country and make it unique. We recommend a review and reform of Canada's entire tax system, the withdrawal of this regressive goods and services tax, and a concerted effort to bring in a new tax system which does fulfil the objectives of fairness, competitiveness, simplicity, consistency and reliability.

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, this is a real opportunity for the government side of the House to talk about all of the positive things concerning the GST, and I welcome the opportunity.

We all know that the FST is archaic. We all know that the members of the opposition, when they sat on the finance committee, agreed that the FST was archaic and that it had to be replaced. They have a bit of a problem with those who are from their ranks in agreeing to that.

We all know that the manufacturers' tax is bad. I would note that *The Financial Post* has indicated that the MST is mainly a stupid tax. I thought that was interesting. Certainly, it is narrow based. There are a lot of problems with it. It distorts the consumer choices, because it is a varying tax. It taxes investments. It taxes exports, and that is a real problem for us because the FST remains in the price of exports. It favours imports against domestic and that is a problem. It distorts the way people do business. I think that is another serious problem with the FST.

We all know the manufacturers' sales tax also costs a lot to administer, with its over 22,000 exemptions. That is a real problem.

I do not think the members opposite want to hear all these things about what is wrong with the FST. They do not seem to want to listen to what is wrong. They probably do not want the people of Canada to hear why we should replace the FST.

There was an interesting article in *The Globe and Mail* today which states:

> An investment boom, triggered by free trade with the United States, tax reform and energy projects, will make the 1990s a good decade for Canadian economy, a team of university research economists forecast.
>
> After it gets by this year's slowdown, the economy will rack up a string of years in which real economic growth will surpass 3 per cent, according to a long-term projection by the institute for Policy Analysis at the University of Toronto.

They go on to state that real reasons for all that are free trade and the GST introduction. Members opposite probably did not get a chance to read that this morning. As a matter of fact, maybe they should take some reading lessons. Better still, why not have some of your staff read it to you. I have to give members opposite all this good news about the GST that they do not know. They just want to talk about doom and gloom.

• (0050)

I go out and speak to many groups in my riding. It is amazing that I seem to be getting a little different story than my colleague for Lambton—Middlesex. It is probably in how you answer questions or give them information. It is probably slightly different.

I have a lot of respect for my colleague for Lambton—Middlesex. He is a fine man. Perhaps politics are entering into this from what he is getting from the people on the street in Strathroy and Elphinstone. I have a notion that that is the case, that he is bringing out of them what he thinks they want to hear.

I had a chat not too long ago with people from Japan. They think we are absolutely daft to have only a manufacturing sales tax. Many other countries do, too. When we get the opportunity to speak to groups and explain to them what the GST is all about, the majority of groups I am speaking to feel positive about it.

Some hon. members: Oh, oh!

Mr. James: Members opposite will never have that opportunity, because they would not be trying to explain—

The Acting Speaker (Mr. Paproski): The hon. member for Edmonton East on a point of order.

Mr. Harvey (Edmonton East): Mr. Speaker, it is with intense fascination that I listened to the hon. member speak of the apparent majority of his constituents who support the GST. Would the hon. member please tell us when he tabled in this House a petition from a single constituent supporting the GST?

The Acting Speaker (Mr. Paproski): That is not a point of order. On a point of order, the Minister of Privatization.

Mr. McDermid: Mr. Speaker, the hon. member might be interested to know that some of the opposition members delivered petitions to the Minister of Finance's office the other day and some of them supported the GST.

The Acting Speaker (Mr. Paproski): Those are not points of order, that is debate. The hon. member for Sarnia—Lambton has another couple of minutes.

Some hon. members: Axe the tax!

Mr. James: Mr. Speaker, I would think that you would want to explain to your constituents about the GST and the positiveness of the GST. That is what you should do and that is what we want you to do.

Some hon. members: Axe the tax!

The Acting Speaker (Mr. Paproski): The hon. member still has a minute in his debate. Then we can hear the hon. member for Mississauga South.

Mr. James: This party and this government has the political will to do what needs to be done in connection with introducing the GST. The Liberal government was told on a number of occasions and even had input from the Leader of the Opposition about a tax that was a value-added type of tax. We have the political will. They do not have the political will. In the long run, better things will happen in Canada because of this tax.

The Acting Speaker (Mr. Paproski): I know you are all anxious to stay here a little longer than one o'clock, therefore, I would like to advise the hon. member that he has 20 minutes for debate, if he would like to take it.

Some hon. members: Hear, hear!

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this has been a long debate tonight.

Some hon. members: Hear, hear!

Mr. Blenkarn: And we have a lot of spirit in the House tonight, but we have a very serious issue before us—

An hon. member: How to beat the tax.

Mr. Blenkarn: —in dealing with a proposal to tax both goods and services in a multistage sales tax. This tax has been described in many fashions. It has been described as a good service tax—

An hon. member: No, no, no.

Mr. Blenkarn: It has been described as many other things.

An hon. member: Bad tax.

An hon. member: A horrible tax.

Mr. Blenkarn: But I have to tell you, Mr. Speaker, that the multistage sales tax is another way, and a more intelligent way for us to tax the consumption in the country. Consumption taxes are part of our tax system.

Some hon. members: Hear, hear!

Mr. Blenkarn: We have tax consumption since the day this country was founded with a tariff policy under John Macdonald.

We have taxed consumption with a manufacturer's sales tax, now known as the federal sales tax, since 1924. Since the 1930s, Canadians have been trying to get rid of the federal sales tax.

Some hon. members: Hear, hear!

Mr. Blenkarn: As a matter of fact, this tax must go!

Some hon. members: Hear, hear!

Mr. Fulton: Dump the GST.

Mr. Blenkarn: The royal commission wanted this tax to go.

Some hon. members: Hear, hear!

Mr. Blenkarn: The Carter Commission wanted this tax to go.

Some hon. members: Hear, hear!

Mr. Blenkarn: The Macdonald Commission told us to get rid of this tax.

Some hon. members: Hear, hear!

Mr. Blenkarn: John Turner told us to get rid of this tax.

Some hon. members: Hear, hear!

Mr. Blenkarn: Marc Lalonde told us to get rid of this tax.

Some hon. members: Hear, hear!

Mr. Blenkarn: And we are going to get rid of the federal sales tax.

Some hon. members: Right on!

Some hon. members: Hear, hear!

Mr. Riis: Stop the GST, Don.

Mr. Blenkarn: And we are going to replace the tax with a tax that makes some sense.

Mr. Riis: Listen to the people, Don.

Some hon. members: Axe the tax.

Mr. Blenkarn: Indeed, we are going to axe the tax.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): I believe the hon. member is finished.

Some hon. members: More, more.

The Acting Speaker (Mr. Paproski): In accordance with the provisions of Standing Order 57, at this time it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the second reading stage of the bill now before the House.

• (0100)

The question is on the amendment.

Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the amendment which was negatived on the following division:

(*Division No. 189*)

YEAS

Members

Allmand	Anawak
Angus	Arseneault
Assad	Axworthy (Saskatoon—Clark's Crossing)
Barrett	Bellemare
Benjamin	Bevilacqua
Black	Blackburn (Brant)
Blaikie	Boudria
Caccia	Catterall
Clancy	Crawford
Duhamel	Ferguson
Finestone	Flis
Fontana	Fulton
Funk	Gaffney
Gagliano	Gardiner
Gauthier	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Jordan	Kaplan
Karpoff	Keyes
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Laporte	LeBlanc (Cape Breton Highlands—Canso)
MacAulay	MacLellan
MacWilliam	Maheu
Manley	Marchi

Marleau	McCurdy
McGuire	Mifflin
Milliken	Nault
Nystrom	Pagtakhan
Parker	Peterson
Pickard	Proud
Prud'homme	Riis
Robichaud	Robinson
Rodriguez	Samson
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Vanclief
Waddell	Walker
Whittaker	Wood
Young (Gloucester)—83	

NAYS

Members

Andre	Atkinson
Attewell	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bourgault	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Collins	Cook
Corbeil	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Duplessis
Edwards	Fee
Ferland	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Holtmann
Horner	Horning
Hughes	Jacques
James	Jelinek
Johnson	Joncas
Kempling	Koury
Langlois	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Loiselle
MacDonald (Rosedale)	MacDougall (Timiskaming)
Malone	Marin
Mayer	Mazankowski
McCreath	McDermid
McKnight	Merrithew
Monteith	Moore
Nicholson	Nowlan
O'Kurley	Plourde
Porter	Pronovost
Redway	Reid
Ricard	Richardson
Robitaille	Roy-Arcelin
St-Julien	Schneider
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Shields	Siddon
Soetens	Sparrow
Tardif	Tétreault
Thacker	Thompson
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Vincent
Weiner	Wenman
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—119

• (0125)

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

The next question is on the main motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five members having risen:

Mr. Gauthier: In order to dispense with the ringing of the bells, I think you would find it the disposition of the House to apply the vote taken on the motion of the right hon. member for Vancouver Quadra to the present motion before the House, that is second reading of the bill, but I would take it in reverse, at the request of the government.

The Acting Speaker (Mr. Paproski): Is that agreed?

Some hon. members: Agreed.

The House divided on the motion which was agreed to on the following division:

(Division No. 190)

YEAS

Members

Andre	Atkinson
Attewell	Belsher
Bertrand	Bird
Bjornson	Blackburn (Jonquière)
Blais	Blenkarn
Bourgault	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Clifford
Collins	Cook
Corbeil	Crosbie (St. John's West)
Crosby (Halifax West)	Darling
DeBlois	de Cotret
Della Noce	Desjardins
Dick	Dobbie
Domm	Duplessis
Edwards	Fee
Ferland	Fretz
Friesen	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)

Hawkes
Hogue
Horner
Hughes
James
Johnson
Kempling
Langlois
Layton
Lewis
MacDonald (Rosedale)
Malone
Mayer
McCreath
McKnight
Monteith
Nicholson
O'Kurley
Porter
Redway
Ricard
Robitaille
St-Julien
Scott (Victoria—Haliburton)
Shields
Soetens
Tardif
Thacker
Thorkelson
Tremblay (Lotbinière)
Van de Walle
Venne
Vien
Weiner
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Hicks
Holtmann
Horning
Jacques
Jelinek
Joncas
Koury
Larrivée
Leblanc (Longueuil)
Loiselle
MacDougall (Timiskaming)
Marin
Mazankowski
McDermid
Merrithew
Moore
Nowlan
Plourde
Pronovost
Reid
Richardson
Roy-Arcelin
Schneider
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Tétreault
Thompson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Vankoughnet
Vézina
Vincent
Wenman
Wilbee
Worthy—119

NAYS

Members

Allmand
Angus
Assad
Barrett
Benjamin
Black
Blaikie
Caccia
Anawak
Arseneault
Axworthy (Saskatoon—Clark's Crossing)
Bellemare
Bevilacqua
Blackburn (Brant)
Boudria
Catterall
Clancy
Duhamel
Finestone
Fontana
Funk
Gagliano
Gauthier
Grey (Beaver River)
Harb
Heap
Hovdebo
Jordan
Karpoff
Kilger (Stormont—Dundas)
Langan (Mission—Coquitlam)
Laporte
MacAulay
MacWilliam
Manley
Marleau
McGuire
Milliken
Nystrom
Parker
Pickard
Prud'homme
Robichaud
Rodriguez
Skelly (Comox—Alberni)
Stewart
Taylor
Waddell
Whittaker
Young (Gloucester)—83
Crawford
Ferguson
Flis
Fulton
Gaffney
Gardiner
Gray (Windsor West)
Guarnieri
Harvey (Edmonton East)
Hopkins
Hunter
Kaplan
Keyes
Kristiansen
Langdon (Essex—Windsor)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
Marchi
McCurdy
Mifflin
Nault
Pagtakhan
Peterson
Proud
Riis
Robinson
Samson
Speller
Stupich
Vanclief
Walker
Wood

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Finance.

The Acting Speaker (Mr. Paproski): The House stands adjourned until later this day, at eleven o'clock, pursuant to Standing Order 24(1).

At 1.32 a.m., the House adjourned.

HOUSE OF COMMONS

Thursday, February 8, 1990

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

BROADCASTING OF PROCEEDINGS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on a point of order to bring to the attention of the Chair some concerns that the broadcasting of the proceedings of the House is being done in a manner which in fact is anticipating a decision of the House on the report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

The committee is recommending in paragraph 3 of its ninth report that: "The programming director should be responsible for the production and direction of the broadcasting of the House of Commons, subject to the overall direction of the monitoring committee of the House of Commons."

Clearly, the committee did not like the way that the House is now televised. In its report, it described the current rules as unnecessarily strict and then gave us a synopsis of those rules: "Camera shots are restricted to the torso and head of the person speaking, and the microphone picks up only his or her voice— Strict rules for the cameras have prevented certain events from being shown and the full flavour of the House of Commons from being conveyed. For instance, the cameras are unable to show a member crossing the floor, either to join another party or to congratulate another member."

I do not wish to express either agreement or disagreement with the committee's views. That is a matter for the House to consider at another point in time.

I do wish to raise a concern that the guidelines under which the House has been broadcast for the past 11 years seem to have been changed. Yesterday, during the very warm tributes to the outgoing Leader of the Official Opposition, the right hon. member for Vancouver Quadra, the cameras did, in fact, show the Prime Minister crossing the floor to congratulate the member.

The cameras also showed you, your Honour, leaving your chair, walking toward and shaking the hand of the member for Vancouver Quadra. The cameras also showed wide-angled views of the House which enabled viewers to see the response of the House, in this case a standing ovation for these tributes to the hon. member. There is no question, Mr. Speaker, that these shots were good television and accurately reflected, in a positive way, what occurred in the House yesterday.

• (1110)

However, over the past year, a number of memorable, if not historic events have occurred in this Chamber. When the newly elected Leader of the New Democratic Party, the member for Yukon entered this House, in itself an historic event, the cameras did not show the reception that she received by all members of this House, but particularly from the women members of this House, on her important milestone.

As a member of the Committee on Elections, Privileges, Procedure and Private Members' Business, which authored the ninth report which makes those proposals—

An hon. member: You were not there.

Mr. Angus: No, I was not an active member and the member for Sault Ste. Marie was replacing me. However, as a member of that committee, I know that this House has not been seized with the matter, it has not deliberated on the recommendations, therefore, the rules have not been changed.

Beauchesne's, Sixth Edition, sets out in citation 1122:

The electronic record is provided for informational purposes, similar in intent to that of *Hansard*—

Point of Order

Citation 1123 states:

> The coverage by the House television cameras is based on certain understandings arrived at by the committee which supervised the installation of the system, and the resolution of the House passed on January 25, 1977. In principle, it is to be an electronic *Hansard*. When a Member is recognized by the Speaker, the participation of that Member is recorded. Just as *Hansard* does not record the reaction of the House in an editorial manner, neither does the camera coverage.

I raise two specific points. I would ask Your Honour that you review the tapes of yesterday to determine if, in fact, what I have just stated to the House is accurate, and if it is accurate, to determine how it came about. Was there a policy decision made by an appropriate official, or was it an independent decision made by a technician?

Second, and I think more important, given that if there is an error in *Hansard*, the printed record of this House, which is the official and only record, corrections can be made. However, if there has been an error in the electronic version, and recognizing that it is not the official version, where the camera showed that which it was not supposed to show, is it appropriate for the Speaker to have that record edited?

This is a very substantive question, Mr. Speaker. In the past, giving permission to edit has not been not allowed. One is not allowed to edit in any way the electronic recording of this House, whether visual or audio. However, in this instance, should you order that the record of yesterday be edited to exclude those camera shots which violated the rules of this House? I am not necessarily arguing that you should, Your Honour, but I think it is a question that you and this House have to deal with, particularly inasmuch as we have not approved or even considered the ninth report of the committee, and it may be something to which you may wish to refer back to the Elections and Privileges Committee for further consideration.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, not being a member of the committee I would like to defer perhaps to the member for Kingston and the Islands for his comments but I would like to say a few things. First of all, I understand that the televising of the proceedings of the House is in the hands of a very competent staff of technicians and producers. I recognize the present rules state that the camera is allowed to show only the person recognized by the Speaker, or the Speaker.

Yesterday's events showed you leaving the chair and coming to shake the hand of the Leader of the Official Opposition, now the right hon. member for Vancouver Quadra. In my view, that was a very touching move on your part. In my view, that was a very human move, something that I thought was appropriate in the spirit of the House at that time.

The cameras were indeed following you, Mr. Speaker, which is exactly and technically correct, as far as I am concerned, because the cameras must stay on the Speaker. In my view, you should be commended for this very human, personal touch that you put to this event yesterday.

I realize that some people may say that you did divert, change or modify your normal behaviour of staying in the chair. In the view of the Liberal opposition, even though we do recognize and we were actively involved in presenting the ninth report to the House, which proposes certain changes to the broadcasting of the proceedings, I want to tell you that we are entirely supportive of what happened yesterday and we thank you for it.

Mr. Speaker: I want to say to all members of the House that I have listened very carefully to the hon. member for Thunder Bay—Atikokan. I have to say it is my opinion that his complaint is justified. I do not take anything that the hon. member for Thunder Bay—Atikokan said as a personal criticism of me. I know the hon. member very well and I know his colleagues. He and his colleagues, my former colleagues from the party from which I come, and my colleagues in the Liberal party will know that my association with the right hon. gentleman we honoured yesterday goes back for many years. I think that all hon. members will understand that when I think back to my boyhood, the same people who raised me are the very close friends of the same people who raised the right hon. gentleman. There is an association that crosses the years and crosses party lines. I know that the hon. member for Thunder Bay—Atikokan and my very good and dear friend, the hon. member for Kamloops, understand.

The complaint made by the hon. member for Thunder Bay—Atikokan is legitimate. It is legitimate in the sense that not all of what happened yesterday was covered. Our colleague, the hon. member for Yukon, the new and distinguished Leader of the New Democratic Party, in an act of generosity and goodwill, of which this House is capable but which is not often recorded or seen, came up

this aisle. She did not need to, but she did, and shook the hand of our right hon. friend.

That was a dramatic moment in this House, as was also the fact that the Prime Minister of our country crossed the floor on this occasion and shook hands with our right hon. friend.

These are moments in the history of our country that probably ought to be recorded. That is as far as I will go because I am your servant and I must be guided by the strictures that you have decided to place on television coverage of this place.

I want to say to my hon. friend from Thunder Bay—Atikokan and my hon. friend, the House Leader of the New Democratic Party, the hon. member for Kamloops, and other members of the New Democratic Party that I am very sorry if the coverage was not complete. I think the complaint that has been brought to me is legitimate and I will do what I can to make sure it does not happen again.

• (1120)

What I do have to say to all hon. members is that there are times in a long lifetime that we all do things because of memory, circumstance, friendships and long associations.

I have to tell all hon. members—and I know that it will be accepted by the New Democratic Party—for associations that go back many years, I did what I did yesterday, and I am sorry that it was covered and another equally touching tribute from the New Democratic Party was not covered.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 115 petitions.

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

Routine Proceedings

BROADCASTING ACT

MEASURE TO AMEND

Mr. Ian Waddell (Port Moody—Coquitlam) moved for leave to introduce Bill C-284, an act to amend the Broadcasting Act (distribution undertaking).

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some hon. members: Agreed.

Mr. Waddell: Mr. Speaker, it is with great pleasure that I present this bill. Cable television rates increased on average by 6 per cent annually between 1984 and 1988 but by 29 per cent between 1988 and 1989. We could ask anyone watching us today and they would indicate that those rates have increased.

Second, the big cable operators such as Ted Rogers and Company have really been given a licence to print money.

What this bill does is applies the same principles to cable companies as are applied to phone companies. In other words, this outrageous rate of return is going to be regulated, just like phone companies are regulated under the Railway Act.

In the past year, telephone rates have actually gone down, whereas cable rates have gone sky high. The bill states that it is not enough just to give the CRTC broad discretion. The government has to direct that the cable companies will be regulated. This is what this bill does.

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

* * *

CANADA SHIPPING ACT

MEASURE TO AMEND

Mr. Benno Friesen (Surrey—White Rock) moved for leave to introduce Bill C-285, an act to amend the Canada Shipping Act (pollution).

Mr. Speaker: Shall the hon. member have leave to introduce the said bill?

Some hon. members: Agreed.

Mr. Friesen: Mr. Speaker, this bill was inspired by a newspaper article in Vancouver some time ago which indicated that some of the tankers owned by Esso carry

on board temporary booming equipment should there be a spill.

That would at least provide temporary containment of a spill until the larger equipment could be brought along.

Those of us who have coastal communities as our constituencies realize how vulnerable we are for any oil spill. Again the news last night carried the report of a spill in California.

This bill requires that all tankers in Canadian waters would be required to have temporary booming equipment on board in order to give temporary protection until the permanent equipment would come along.

Mr. Speaker: I thank the hon. member for the explanation. I think it will be a matter of considerable interest to all members.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure and honour to present a petition on behalf of a number of petitioners from various communities, including Blue River, Avola, Vavenby, Birch Island, Clearwater, Black Pool, Wells Gray Park, Adams Lake, East Barriere Lake, Little Fort, Chu Chua, Darfield, Chinook Cove, Barriere, Louis Creek, McLure, Vinsulla and others.

The petitioners are pointing out their concern that the government's proposed goods and services tax is an unfair form of taxation because it lacks regard for taxpayers' ability to pay the tax. It imposes a tax on everything from piano lessons and diapers to coffins and even consumer loans which some Canadians must take out to pay their taxes.

The petitioners go on at some length and ask Parliament to do whatever it can to cause the government to back off from proceeding with this goods and services tax.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty on the same day that this House has adopted second reading of Bill C-62, the GST bill, to table a petition sent to me by people from Milk River, Alberta.

The petitioners state that the present federal manufacturers' tax has already been increased by the federal Tory government from 9 per cent to 13.5 per cent, that is four times over a period of five years, and that the federal government wants to impose upon Canadians a new 7 per cent tax on goods and services which will be hidden from Canadians and applied to virtually everything they buy.

These people feel that the imposition of this new general goods and services tax will cause serious and unfair hardship to low and middle income Canadians. They join with Liberals and strongly oppose the new goods and services tax which is an unprecedented tax grab from the pockets of Canadians and will hit them not only with higher taxes but with higher inflation, higher interest rates and higher unemployment.

The undersigned humbly pray and call upon Parliament to reject the proposed goods and services tax.

• (1130)

BILL 178

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I have the honour to table petitions on behalf of the constituents of Parkdale—High Park who claim that the Constitution of Canada under the Canadian Charter of Rights and Freedoms guarantees to all Canadians the right of freedom of expression.

The government of the Province of Quebec has abridged that right by enacting Bill 178, which restricts the right to freedom of expression in the English language. Under Section 90 the Constitution Act of 1867, the Governor General in Council has authority to disallow legislation enacted by a province within one year of its enactment.

Petitioners argue that over 53,000 Canadians from every province and territory of Canada have petitioned the Governor General to disallow Bill 178 of the province of Quebec as being contrary to the Charter of Rights and Freedoms and to the preservation of peace, order and good government in Canada. The petitioners humbly pray and call upon Parliament to pass a resolution of the House of Commons using the Governor General in Council to give force and effect to the Canadian Charter of Rights and Freedoms by the exer-

cise of its constitutional power of disallowance with respect to Bill 178 of the province of Quebec.

This petition is time sensitive. I could not table it any earlier because of the government's procedure of moving to the Orders of the Day. Mr. Speaker, I hope you will take this into consideration when you are looking at this petition. It is not the fault of the petitioners that it arrived late in this House. It is the procedures by which we are guided.

Mr. Speaker: On behalf of the hon. member for Parkdale—High Park I want to say to him and to the petitioners that he represents that I fully understood the difficulty a few days ago. I understand his comment and while I would not normally intervene I want to say to the petitioners through my colleague that we understand the difficulty.

GOODS AND SERVICES TAX

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I have a second petition, also from the constituents of Parkdale—High Park. They argue that the Government of Canada has seen fit since Confederation and without hiatus to apply a zero rate of tax to magazines, books and newspapers and now propose to include them in the GST. They argue that uninhibited dissemination of the printed word is a cornerstone of democracy, culture, education and literature, and productive society will be negatively affected by the GST application.

The petitioners call upon Parliament to reaffirm the historic principles embodied in the tax-free status for the printed word by retaining the zero rate in the GST legislation and regulations.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it gives me pleasure to rise under the provisions of Standing Order 36 and present 127 petitions that are grouped together to facilitate their movement through the House. These petitions have been signed by 3,325 residents, the vast majority of whom are in the Okanagan—Shuswap area.

This brings the total number of petitions against the government's goods and services tax from the Okanagan—Shuswap to 311, signed by over 14,700 residents of the area. This represents 28 per cent of the registered voters in the Okanagan—Shuswap.

These petitions come from the North Shuswap, Salmon Arm, Enderby, Armstrong, Vernon, Lumby, Sicamous, Sorrento and Falkland. I think the fact that these signatures represent over 28 per cent of the voting population in that constituency is a very clear message to the government that people in Okanagan—Shuswap are certainly very disturbed about the goods and services tax.

Through the petition they have asked that this government reject the proposed goods and services tax and that this government consult with business, labour and consumer groups to reach a broad consensus on reform of the tax system before implementing further changes. Finally, they ask that there is a process of fair tax reform that will provide a healthy climate for future economic growth in Canada. The people of Okanagan—Shuswap have spoken loudly and clearly. Stop this tax.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the pleasure to present three groups of petitions from constituents in Manitoulin Island, Gore Bay, Evansville, Spring Bay, Little Current, Tehkummah, Manitowaning and Mindemoya, calling on the government not to implement the goods and services tax.

They point out the adverse impact this will have for senior citizens. The higher taxes are not appropriate at this time. It will cause higher inflation, higher interest rates and higher unemployment.

I hope that the government will take into account these representations, made by these people who are very concerned with the possible implementation of the goods and services tax.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, with your permission, I am the surrogate today for our former leader, the Hon. Ed Broadbent. On his behalf, I am submitting these petitions from people of Ontario and the region from which he formerly represented.

Gone but not forgotten in the hearts of his constituents, he is still their member of Parliament. As a consequence, they have submitted these particular petitions to me to be his vehicle and his presence here today.

Not to my surprise, but perhaps the government's surprise, this petition is focused on the goods and services tax. I can see there is a groundswell of public opinion in the Oshawa area that represents a significant part of Ontario that says clearly through this petition,

that they are frustrated, angry and deeply hurt over the goods and services tax.

Their petition says that they would pray that this government would do its utmost to delay the bill and permit those taxpayers a greater opportunity to present their feelings, perhaps through an election, simply on this issue, which would be a fair and democratic step.

They are suggesting that the government go to the people and have the people approve, in a democratic process, whether or not they agree with this tax. Even though the polls show that 80 per cent of the people are opposed to this tax, it may not be reflected in an election and the government should take the bidding of these petitioners and poke its feet in the water of an electoral process.

I submit these petitions on behalf of the good burghers of the Oshawa, Ontario area.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 36, I have the honour and the duty to present a number of petitions signed by 920 residents of my area. These petitions have been circulated by a number of business people in the community, Galaxie Lanes, the staff of St. Jude schools, Ziebart, Family Diner, Northern Women's Centre, Breenie's Auto Body, Lochloman Ski Area, Superior Bowl-o-Drome and one petition that was circulated on VIA Rail when it was still running.

The petitioners are all against the GST. They want the current proposal rejected and they want a proper reformation of the taxation system so there is an effective minimum tax on wealthy individuals and corporations.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise again in the House under the provisions of Standing Order 36 to present petitions on behalf of small business people in my community.

Small business people in my community continue to send petitions and letters in opposition to the GST. In this petition hundreds of small business people from New Westminster, Burnaby and other areas of the lower mainland in British Columbia say that this form of taxation is unfair because it forces small businesses to carry a disproportionate share of the tax burden.

These small business people say that this will be an implementation nightmare for them, and that this tax does not address the concerns of small business in regard to the current federal manufacturer's sales tax and that, instead, it increases the tax burden on the small business community.

They call upon this Parliament to reject the proposed goods and services tax, to consult with business, labour, and consumer groups, and to reach a broad consensus on reform of the tax system before implementing this regressive alternative to the manufacturers' sales tax.

They ask for real reform of the tax system to provide a healthy climate for small business in Canada.

I have presented other petitions from small business people in my community and these are more in opposition to this tax.

• (1140)

RIGHTS OF THE UNBORN

Mr. Doug Fee (Red Deer): Mr. Speaker, it is my privilege to present a group of petitions which have all been certified correct as to form and content pursuant to Standing Order 36.

These petitions have been signed by over 300 people, all members of four different churches in the city of Red Deer. They represent members of the Church of God, the Roman Catholic Church, the Baptist Church and the United Church, all of whom call upon Parliament to formulate and legislate a law to protect life from conception, a law which seeks to save the life of both mother and child.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I have a number of petitions signed by people who object to the new goods and services tax. They say it will be the worst tax levied on Canadians since the beginning of our history.

[*English*]

These petitioners tell us that as it now stands the GST would create economic disruption, increase taxes on average families, introduce an unprecedented level of complexity into the tax system, impose further hardship on low-income Canadians, and remain hidden from taxpayers.

They call upon the House of Commons to withdraw this tax.

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is my pleasure to present to the House of Commons today a petition concerning the preservation of the Rouge Valley which is 10,000 acres of beautiful natural wilderness geography in Canada. The petitioners are from communities of Oakville, Scarborough, Etobicoke, Thornhill, Whitby, Bolton, Kitchener and Norwood.

This issue of the preservation of the Rouge Valley as a precious natural area is spreading right across Ontario, right across Canada. It is in the national interest to preserve the wildlife and wilderness aspects of the area. There are thousands of people who are working in the Save the Rouge Valley System organization.

These petitioners call upon this government to work with the province of Ontario which owns about 80 per cent of this beautiful land, to have the Rouge Valley system preserved as a park.

GOODS AND SERVICES TAX

Mr. Speaker: The hon. member for Bonavista—Twilling—

Mr. Mifflin: Trinity—Conception.

Mr. Speaker: Trinity—Conception. I apologize to the hon. member but the former name of the riding is almost part of the history of the country and I have to keep in mind that for administrative reasons it has been changed. Of course it takes nothing away from the representation that the riding has in this Chamber.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Thank you, Mr. Speaker. If I may, those comments are very appropriate in view of the fact that some of my colleagues and I had the delightful experience to dine with the former member for Bonavista—Twillingate to whom I am sure you are making reference. A delightful dinner it was!

Mr. Speaker: Before the hon. member goes too far I just want the hon. member to know, and I think his constituents should know, that I have had the great privilege at least once a year of dining with the former hon. member and I want the hon. member to know, and I want his constituents to know that I hold their former member in the highest esteem.

Mr. Mifflin: Thank you very much, Mr. Speaker. I will convey that message to my constituents. And, Mr. Speaker, the present member is doing his best to hold himself in that kind of respect as well.

Mr. Young (Gloucester): You are doing a marvellous job!

Mr. Mifflin: Thank you, to the hon. member.

Mr. Speaker, I rise pursuant to the provisions of Standing Order 36 to present a number of petitions. The House might be interested to know that I have received 15,000 petitions on this subject, representing 35 per cent of my voting population. There are 1,130 signatures on this particular petition from one end of my riding to the other: Lumsden, Traytown, Bonavista, Queen's Cove, North West Brook, Clarenville, Bellevue, North River, Harbour Grace, Carbonear, Northern Bay, Bay de Verde and I could go on.

People in my riding basically do not have high incomes. They are concerned, for example, that Canadian families with incomes of between $10,000 and $15,000, spend 92 per cent of their income on current consumption, while families earning in the vicinity of $50,000, spend only 56 per cent on current consumption. They are concerned that they are paying almost all of their income for essential purposes and now they are being asked to pay, on top of the 92 per cent on consumption, another 7 per cent.

They feel that this is blatantly unfair and unjust. As one of my cogent and well-expressed constituents said to me, it was inexpressibly distressing.

These petitioners pray and call upon Parliament to show some heart, some compassion for the situation in which they find themselves. They wish to have the proposed goods and services tax firmly, soundly and decisively rejected.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I have the honour and the privilege of presenting, pursuant to Standing Order 36, a petition from people in the province of Quebec, Montreal, Châteauguay, Pierrefonds, Roxboro, Ile Perrot, St. Hubert and Lacolle.

[*Translation*]

And also my own riding, Saint-Laurent.

[*English*]

The petitioners are asking the government to reject the proposed goods and services tax because the imposition of this tax will cause serious and unfair hardship to low and middle-income Canadians.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise pursuant to the provisions of Standing Order 36 to present a petition signed by a number of Canadians who point out that the government has not addressed the unfair tax system which is currently in place, which permits wealthy individuals and corporations to pay little or no federal tax, while forcing low and middle-income taxpayers to bear more of the tax burden.

They call upon the government not to proceed with the current goods and service tax, but to bring in fair taxation for all Canadians.

NORTHERN TAX BENEFITS

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, let the House not forget the New Democrats are putting up the best fight possible to stop the goods and services tax. The petition I have to table in the House today under the provisions of Standing Order 36, is to remind the House of the call to the Minister of Finance to reject the task force report on northern tax benefits which was unfair and should be addressed by the Minister of Finance when he brings down his budget later this month.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, question No. 205 will be answered today.

[*Text*]

ROYALTY CHARTERS AND JOINT VENTURES

Question No. 205—**Mr. LeBlanc (Cape Breton Highlands—Canso):**

Are Native Groups given Royalty Charters (special quotas) for Canadian fish stocks and is it possible, under a Joint Venture Business Arrangement, for businessmen out of Ottawa, Montreal and other centres to secure a licence for foreign fleets to catch these species and then process their catches in European countries such as England and Denmark and, if so, what are (a) the names of all Joint Ventures and Royalty Charters issued (by year) over the last five years (b) the species allocation and location allocation for each (c) the names of the brokers and foreign vessels associated with each of these ventures?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): In 1985 and 1986, the Torngat Co-op and the Labrador Fishermen's Union Shrimp Company (LFUSC) were the only northern shrimp licence holders authorized to use foreign vessels under so-called royalty charters. The vessels used were the Ocean Prawns, a Faroe Island vessel, by Torngat, and the Helen Basse, a Danish vessel, by the LFUSC. Since 1987, such charters have not been permitted. Northern shrimp licence holders have been given permission to enter into Joint Venture Business Arrangements with foreign partners. Canadian equity in such joint ventures must be at least 30 percent and must be Canadianized (i.e. over 50 percent ownership) by May, 1990.

All northern shrimp vessels can process shrimp on board and are not required to land in Canada. However their product must be labelled "Product of Canada" and is subject to Canadian inspection.

Following is the list of joint ventures with foreign partners in the northern shrimp fishery for 1987 to 1989; the foreign vessels used in 1985 and 1986 are identified above.

These vessels fish for shrimp in NAFO Areas 0, 2 and 3KL.

Licence Holder	Vessel	Country of Origin
Pikalujak Fisheries	Faroe Prawns	Faroe Island
Torngat Co-op	Ocean Prawns	Denmark
Caramer Ltd.	Arctic Viking	Faroe Island
M.V. Osprey Ltd.	Hvitanes	Faroe Island
Fishery Product International	Hvilvtenni	Faroe Island

[*English*]

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

The Acting Speaker (Mr. Paproski): The question as enumerated by the parliamentary secretary has been answered. Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—GOODS AND SERVICES TAX

Mr. Douglas Young (Gloucester) moved:

That this House call upon the government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government and that this be clearly visible to the taxpayers and designed in a manner that does not merely, under the guise of reform, constitute another increase in the overall burden of taxation.

He said: Mr. Speaker, I know that there will be a great deal more said in the weeks and months to come about the goods and services tax. I know that many of my colleagues wish to speak to this motion. I deeply regret that many members of this House have not had a full opportunity to debate the goods and services tax because closure was imposed by the government.

• (1150)

There has been a great deal of discussion about alternatives or the lack thereof, and the need for real tax reform. In my opening remarks I want to set out what is not tax reform. After five years of Conservative government I want to review some of the results of the tax reform that allegedly was undertaken by the Minister of Finance and the Conservative government.

In 1983–84, government revenues were $64 billion and the public debt was $160 billion. After five years of tax reform, in the year 1991 this government as a result of 31 tax increases now is generating revenues to the Government of Canada of $120 billion. These are obviously not final figures but the government's own numbers which I expect will change and unfortunately for Canadians for the worse. Revenues have gone from $64 billion to $120 billion in five years. That is the tax reform tax grab that this government has put in place.

While government members during the election campaign in 1988 were bragging about their ability to manage the economy and to manage the affairs of this nation, we went from a public debt in 1983–84 of $160 billion to a total projected debt at the end of this fiscal year of $380 billion. In five years of Tory tax reform and alleged good management, from $160 billion of public debt to $380 billion.

The point I want to make is that that is not tax reform. That is not good management. It is a sad commentary on the inability of the Minister of Finance to be able to manage the economy of this country and the spending of this government. It has been able to demonstrate clearly that it is the all-time taxing champion of Canada. It has found more ways and has been more aggressive in dipping into the taxpayers' pockets than any government in the history of this country, and at the same time spending to a point where it has more than doubled the national debt.

One of the fundamental commitments of the Minister of Finance and this government was to address the question of the deficit. The fact of the matter is that the deficit has been increasing in the last few years, not decreasing. The deficit has risen from $28.1 billion in 1987–88, to $28.7 billion in 1988–89, to $30.5 billion in 1989–90. Regardless of projections made so far by the Department of Finance, at least those which have been released, I believe that the deficit for this year will again increase above the $30.5 billion that it was last year. The government has increased revenues by nearly $60 billion while being unable to address in a meaningful way the deficit and while doubling the national debt. I reiterate, this is not the way to deal with tax reform nor fiscal responsibility.

Among the problems that this government has faced is the question of high interest rates. After five years of Conservative management of the economy our interest rates are 4 per cent higher than those in the United States. Traditionally, we were always able to keep them within a half point to a point, a point and a quarter.

Many people attribute this to the free trade syndrome and other reasons.

To be fair to the Minister of Finance, I do not lay the blame for the deficit, the debt and the high interest rates at his doorstep. I blame it on the lack of will of his government, because I think the Minister of Finance has been left to hang, to spin on his own. The government has read the polls, and although the Minister of Finance may have been well intentioned and may have had a plan initially, he believed that he could carry through and he

has not been able to do so. I suspect it is because the government has refused to do what needed to be done.

When we debated the goods and services tax, I heard over and over again from members opposite that there is no alternative to the goods and services tax being proposed by the Liberal Party. That is the canard. That is the problem that Canadians have to address. One of the things, of course, that we have to recognize is that in 1984, when this government came to power, the manufacturers' sales tax was generating somewhere in the neighbourhood of $8 billion in revenue. The new goods and services tax will generate $26 billion, over three times more. Yet, they say: "What's your alternative?"

I believe that the people who have signed the petitions that have been presented to this House, the over 300,000 signatures that we have been responsible for, have said that the alternative for the short term is the *status quo*. Yes, there are problems with the manufacturers' sales tax and yes, there have been a myriad number of reports saying that we have to get rid of it, but this is not the way to go.

Our motion talks of tax reform and I believe that that is what we have to do. We have to take the responsibility in this place to talk to Canadians about tax reform that will address the problems of generating revenues, to maintain for Canadians the infrastructures that we require and the social programs we need. When we look at the municipal tax systems, the provincial tax systems and the federal tax system, we see it has to be an integrated approach, because there is only one taxpayer in Canada. That taxpayer pays municipal tax, provincial tax and federal tax.

It is not as though the Minister of Finance, when he brings down his budget in two weeks, can say that this is only going to affect the federal taxpayer. It is going to affect every Canadian taxpayer. We have to look seriously at the suggestions made before the Standing Committee on Finance by the mayor of Vancouver who made it clear that there are only so many dollars available from Canadian taxpayers, and we cannot play games by shifting burdens from one level of government to the other because, in the final analysis, Canadian men and women have to foot the bill.

I believe that in tax reform we have to address the question of real property taxes. Are real property taxes still a legitimate way of generating revenues? Are they a true measure of people's ability to pay, or have they become location taxes? If you have a $100,000 home in my constituency in northern New Brunswick and you have $100,000 home on the outskirts of Toronto you very likely have the same home. The only difference is that the property in Toronto will cost a lot more because you are paying for the land underneath the home. The home and its facilities are probably very similar. Is this approach still feasible or should we be looking at new approaches? Should we be deciding on progressive ways to raise the revenues required to function in this country?

The alternatives that we believe must be considered in tax reform, and that we recommended in the minority report that we presented subsequent to our study of the goods and services tax proposal, is to look at all forms of taxation. We have to look at what economists, bank presidents, business people, anti-poverty groups, the National Action Council, Canadian Labour Congress, talk about when they talk about equitable, progressive taxation.

Many of these people have excellent suggestions on how we can deal with tax reform in this country. We can eliminate tax breaks and we can make sure that everyone is treated fairly. We have to look at the business sector. I want to be very clear on this. In the Liberal Party we believe that tax reform must provide for a strong economy and must provide for initiatives for men and women to become involved in the private sector. I want to say clearly that I do believe in profits, I do believe in rewarding hard work and I do believe in making sure that people who take a risk can expect a return on their investment.

• (1200)

Business in this country is prepared to respond to tax reform as long as it is fair and allows them to compete internationally. The time has come to deal in a straightforward way with tax reform for individuals and corporations. We have to make sure that the system in place is not only fair, or as fair as we can make it, but that Canadian taxpayers believe it is fair.

That is why they do not accept the goods and services tax. Nobody likes taxation but Canadians do not believe the goods and services tax is fair. They do not believe

either that the revenues generated by the goods and services tax are going to be spent properly.

We recommend that as we go through the exercise of tax reform in this country there also be an effort made with regard to what is happening to government spending, with regard to where we are on fiscal reform. How are we going to address the question of dealing with municipal, provincial and federal spending requirements in a restrained and responsible way?

There are no easy answers to this. People suggest it will take years. I have heard people suggest royal commissions. I do not think we need a royal commission. I believe we need to have leaders in the three levels of government who are well supported and who understand the problems come together and talk about an integrated tax reform.

People will be very quick to suggest, when we talk about tax, that they want the lowest taxes possible, but when we talk about spending they want as much spending as possible as it applies to them, but very little for anyone else.

I do not think we should be afraid of looking at reform of taxation from the point of view, as I suggested, of real property taxes. I do not think we should be concerned about looking at taxing wealth in this country. I do not think we should be concerned about clamping down on people who do not pay their taxes.

I think Canadians would be absolutely appalled if they could sit with the Auditor General of this country, as I did this morning, and hear him suggest that tax avoidance is an extremely serious problem in this country. There is tax avoidance in this country through under the table transactions because there is not sufficient audit, because there are loopholes and because many people make their living in this country searching on a daily basis for ways to avoid taxation.

For example, I wonder how many Canadians know, disregarding the tax situation where people are able to hive off or, through holding corporations, avoid some tax, that we have between $7 billion and $8 billion in receivables in our tax system. That seems to me to be an enormous amount of money.

People are always concerned about corporate taxes. It is often said that if we address the corporate side with taxation in the end it is the consumer, the ordinary Canadian, who pays for it because it is always passed along. Corporations as legal entities do not of themselves pay taxes. It is the people who own shares in the corporations and the people who buy the products that they produce or the services that they produce who in the end pay the price.

There are innovative and creative ways of looking at corporate activity in this country, whether it is domestic corporate activity or through multinationals. We can look at how to deal, for example, with profits as deemed dividends in the hands of shareholders.

What I am suggesting to my colleagues in the House today is that tax reform is possible because so many people are thinking about tax reform. As many people are talking about fiscal reform. Finally, many Canadians are talking about monetary policy. If we speak of tax reform on the basis of an integrated review dealing with federal, provincial and municipal taxation, we must also look at what we are doing in terms of our tax policy, what we are doing in terms of our fiscal policy, what we are doing in terms of our monetary policy and how they fit together. Are we doing one thing with the left hand, another with the right, and trying to tap dance as we go through the exercise of administering the affairs of this country?

I believe that Canadians are at a point where they will not pay any more taxes. I do not ascribe to the view, as some people do, that a tax revolt is imminent because Canadians are too generous to get into the kind of tax revolt that we have seen in the United States. Canadians will not say that we are going to cut social spending, cut spending on education and cut spending on medicare without looking at the over-all picture.

There is a deep malaise among Canadians with respect to spending. I do not think we want to have any knee-jerk reflexes and simply say sure, go out and cut $20 billion, $30 billion or $50 billion. As parliamentarians and politicians we have to ask Canadians how we reduce spending, not how the Conservative Government of Canada reduces spending or the Liberal Government of New Brunswick reduces spending, but how we together evolve a program that Canadians understand and perhaps accept because they have had a role to play in determining that program.

How do we create a climate of trust that in fact politicians can manage billions and billions of dollars? How many people involved in these major corporations, both domestically and nationally, are being asked to make the tough decisions when suggestions are made that government spending is out of control? How many of them are prepared to say: "This is where we believe you should cut. This is specifically the program we think you should diminish or eliminate".

I think the challenge is not just for politicians. The challenge is for Canadians. Can we together discuss real tax reform? Can we agree on what must be done to serve the needs of Canadians from all walks of life, corporate as well as private?

How do we control our spending and how do we relate in our relationships with our trading partners, especially the United States, because right now the United States is a dominant force with regard to interest rates and the value of the Canadian dollar.

I am trying as best I can to articulate the plea that I have heard all over this country as a member of the Standing Committee on Finance. Canadians are hit with taxes from every direction. They have no control over the taxes that are imposed on them and they believe they have no control on what is happening to those tax dollars when they are being spent. In my view that is a recipe for a great deal of unease among Canadians on a lot of other issues that are not directly tax or fiscally related.

In closing, I hope that the Minister of Finance, when he comes before this House with his budget in a few days, will recognize that there is a need to respond to the legitimate cry from Canadians for responsible tax reform, responsible fiscal reform and a monetary policy that reflects the best interests of Canadians both as individuals and as corporations and exporters.

Mr. Loiselle: Mr. Speaker, I would like to tell the hon. member that both the tone and the content of his intervention are very refreshing. He has come forward with a lot of very positive suggestions. In this debate on a difficult issue which is vital for the future of our country it is very pleasant to have this kind of exchange across the floor even though we might not agree on everything.

The member has touched upon a wide range of problems in the fiscal area. He has referred to tax breaks. I think he knows that we as a government over the last few years have eliminated dozens and dozens of tax breaks that the government formed by his party put into our system over the years.

• (1210)

He referred to corporations. I think he will agree, looking at the last budget and yet again at the measures we have taken recently to move from 9 per cent to the 7 per cent rate, that we have increased considerably their share. We will continue to look carefully at all the areas he has touched upon.

I will tell him that the magnitude of the problem we are facing is of replacing one of the central pillars of our income as a government. We have the income tax, the excise tax and the present federal sales tax which I appreciate he knows is a bad tax for this country.

I would like him to tell me why this approach is so bad when 48 other countries, most of them being large industrial countries like ours, have used this type of tax.

Mr. Young (Gloucester): Mr. Speaker, dealing with the last element of the hon. minister's comment and question first, the difficulty with the implementation of the goods and services tax is that we would be the only country with two levels of retail sales tax. The tax does not meet the very criteria set out by the Minister of Finance and the department in their initial presentation.

The difficulty with the goods and services tax, as it is presently put forward, is that in 1984 that tax was raising approximately $8 billion. The technical documents and the supporting material to the current proposal for the GST indicate that the government will be seeking to raise some $25 billion to $26 billion with this tax in the fiscal year ending in the spring of 1992.

It seems to me that with all the flaws of the existing federal sales tax, to replace it with another tax that is not capable of being implemented even according to the government's own criteria, is the problem. We could get into a debate on whether goods and services taxes are regressive, whether sales taxes on goods and services to consumers are regressive, but from a strictly technical point of view, even the Auditor General this morning was very circumspect in his comments, but I think one could interpret them to mean that it is going to be an administrative nightmare, not only for small business but for the Department of National Revenue and the

Department of Finance to implement this on January 1, 1991.

To my friend, the minister, I would simply say that it is best to stay with the devil you know than to jump into some kind of an arrangement with the devil you do not know. The *status quo*, it seems to me, until we get it right, is far preferable than moving to this tax.

I do not want to take too much time but I want to comment on the minister's statement with respect to corporate taxes. I would simply point out very briefly that since the Conservative government has come to power it has increased corporate taxes a little more than 20 per cent, from 20 to 22.5 per cent, while personal income taxes have been raised by 45 per cent. That is part of the problem in dealing with this. Surtaxes remaining in place that were part of tax reform have, I think, exacerbated the problem of where the tax burden in the country lies and how it is being applied to both corporate taxpayers and individuals.

The Acting Speaker (Mr. Paproski): I have three other questioners for the hon. gentleman; the hon. member for Esquimalt—Juan de Fuca, the hon. member for Saint-Laurent—Cartierville and the hon. member for Carleton—Charlotte. I will recognize the hon. member for Esquimalt—Juan de Fuca first.

Mr. Barrett: Mr. Speaker, I share the feelings of the minister about the tone of this debate but I cannot quite go along with the substance. The tone is very good but the substance is what concerns me. For many years I have heard the appeal that we have to rise above politics and meet the challenges. I have heard these appeals on the basis that the business community has to do this and others do it. But are we not in politics? Is this not the forum where ideas are exchanged but decisions are made by competing parties wishing to be government; one is in waiting, and the third is hopeful that both will fail. That is the nature of politics. To suggest to this House that we have to meet this challenge by some vague method of pulling people together is avoiding reality.

We are in the blood and guts of politics. We stand for office because we have different ideas. I do not like the goods and services tax. My party has proposed an alternative. The member's party claims to be opposed to the goods and services tax, but I hear this flim-flam stuff about having to rise to meet the challenge.

In order to make a decision as to who should govern them, Canadian people need to know. I give credit to this government for courage to press on with its ideas. I do not agree with its ideas, but it has had the guts to press on. Even if the government commits suicide, it is doing a good job.

But as we seek to replace the government, as the Queen mandates us to do this through Her Majesty's Loyal Opposition, it is the responsibility of the Official Opposition, and certainly of the third party, to state clearly, when asking for the confidence of the people to return them to office, that should they be returned to office and the goods and services tax is in place, they will immediately cancel it.

I have not heard that from the leadership candidates of the Liberal party. I have not heard that from the Liberal party. What we have is a touch of cynicism which I avoid even raising in an arena like this, but I must. The cynicism is that they are clucking and chucking behind the curtain knowing that the Tories are doing the dirty work for them. They do not have to give a commitment against this tax and they will keep it in place once they are elected in government.

My question requires a yes or no answer; no fudging, no hedging, no beating around the tax bush. Will the Liberal party say absolutely to the Canadian people, yes or no? If you are returned to office, do you pledge to immediately remove the goods and services tax? Yes or no?

Mr. Young (Gloucester): Mr. Speaker, the hon. member, as the premier of British Columbia, was very well known for his yes or no answers.

I want to point out to my hon. friend that should the government majority be able to railroad the GST into place, thereby eliminating the federal sales tax and some $18 billion in revenue, when the Liberal government comes to power, it would be folly to state that that day—

Mr. Barrett: Oh, oh! There it is my friend.

Mr. Young (Gloucester): To walk in and say that day that we are going to increase the deficit by $20 billion—

Mr. Barrett: Oh, oh! Why don't you just vote for it and get it over with.

Mr. Young (Gloucester): The point is that when you deal with reality you are faced with a fiscal and a revenue generation system, as the hon. member for Esquimalt—Juan de Fuca knows from when he had, in another

incarnation, to manage the affairs of British Columbia. We are very well aware of his fiscal policies.

I do want to say very clearly that our commitment to tax reform is based on a progressive tax system. The goods and services tax is a regressive tax. When tax reform can be implemented those kinds of regressive taxes will be eliminated in a responsible way.

[*Translation*]

Mrs. Maheu: Mr. Speaker, we are aware that the government will bring down its budget very shortly.

[*English*]

Could the hon. member share with us what bad news he feels is in store for us at that time?

• (1220)

Mr. Young (Gloucester): Mr. Speaker, on the question of the budget, I think Canadians understand that on February 20 the Minister of Finance will come in and announce his budget. We are assuming it will be announced in the House and not somewhere else. When that does happen, I do not have any doubt that the minister will have to address the fact that his deficit will be substantially higher than what was projected last year. That has been a continuing problem for the Minister of Finance.

I think that the Prime Minister and the minister are already preparing the way for a very harsh budget. For me to speculate on what would be included in that budget would be to upset Canadians 10 days prior to the minister actually delivering the bad news himself. I will leave that to the Minister of Finance to inflict on Canadians on February 20.

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, the motion before the House today asks us to call upon the government to abandon its goods and services tax. I believe our answer is clear and straightforward. The answer is no. Let me explain. To abandon this essential reform of our tax system means abandoning senior citizens; it means abandoning individuals and families who are less well-off; it means abandoning our industries and businesses, both large and small; and it also means abandoning our exporters who are faced with increasingly intense competition on international markets. Mr. Speaker, to abandon this reform is to abdicate our responsibility as a national government.

We do not intend to follow the far from illustrious example of previous governments that lacked the political will and the courage to overcome obstacles to a comprehensive reform of our tax system. This reform—our reform—is indeed a challenge. However, as we demonstrated in our policies on investment, competition, rules, copyright, international trade and many other vital economic issues, this government is prepared to face the major challenges of our time.

It is never easy to initiate a major reform, especially tax reform. Our friends in the Official Opposition who drafted the motion before the House today proved this point, year after year, decade after decade, when they were in power. Despite recommendations made by several royal commissions and parliamentary committees during the past 50 years, they always tried to avoid the complex issues and problems involved in a comprehensive reform of the tax system.

For half a century, our businesses and exporters have been severely handicapped when facing foreign competition. For half a century, Canadians have been paying billions of dollars in federal taxes they were not aware of. Doesn't it strike you as something of a paradox, Mr. Speaker, now that they are sitting comfortably on the opposition benches, that same party is asking the government to abandon its plans for a so-called ill-conceived tax reform, a tax reform that the Liberals, of course, carefully avoided introducing when they were on this side of the House?

[*English*]

Where was the Liberal party over the last 50 years? More important, where is the Liberal party today on the issue of tax reform? Trying to put together the bits and pieces of Liberal thought on this issue is a little like trying to shovel smoke on a windy day. On this vital issue for the future of Canada the Official Opposition has shown itself to be rather bankrupt. But, when you think about it, bankruptcy is a condition not unknown to that party in its management of our affairs.

One of the few clues to Liberal thinking on this issue can be found in their minority report of November, 1989. They outlined a list of principles of tax reform which included fairness, simplicity, integrated reform, visibility and, yes, revenue neutrality. It sounds pretty good. In fact, these principles have a vaguely familiar ring, not

only because of today's motion but because they are exactly what guided the development of our proposed goods and services tax.

One sentence in that report particularly struck me, and I quote: "The Liberal Party has always stood for and defended a fair and progressive tax system." I do not question the sincerity of my Liberal colleagues. I do, however, question their accuracy. Is this not the same party which refused to undertake comprehensive reform of our destructive sales tax system for the past 50 years? Is this not the same party that ignored the Rowell–Sirois report, the Carter commission and the Goodman committee report? Progressive, Mr. Speaker? I suppose this is what is meant by the Liberal interpretation of history.

[*Translation*]

As for our friends, the New Democrats, we have already given a detailed response to their proposals. Suffice it to say, Mr. Speaker, that the NDP has shown a disturbing lack of intellectual honesty and has inexcusably failed to grasp the realities of our international economy.

For several days now, this party has treated us to a regular roller coaster of obstruction tactics. Day after day, it delayed the business of the House and prevented members of the other two parties from proceeding with the debate on the GST bill. Day after day, NDP spokespersons indicated they were not in the least interested in a real debate on the GST.

When I see this kind of anti–democratic behaviour, I am reminded of something that Rabelais said: Bring down the curtain, the play is over.

I must say that their new leader's performance was rather pitiful. She seemed incapable of dealing with the substance and was constantly spouting generalities, I would even say platitudes, that had no connection with the proposed legislation.

When the Minister of Finance asked her to back up her gratuitous statements on senior citizens and the needy, she was unable to quote any figures, any valid statistics.

Mr. Speaker, you can rebuild a bottomless boat a thousand times, but as long as it doesn't have a bottom, it won't float.

The motion of the Official Opposition requests a comprehensive reform of our tax system. That is exactly what we are proposing in the GST bill. The motion asks for a visible tax. The GST will be visible. It will be applied at the retail level, to a very broad range of items and at a uniform rate. Consumers will know when and how much tax they will be paying. This is a vast improvement over the present system. Today, we have no way of knowing how much federal sales tax we pay. Why? There are four different rates and numerous exemptions, and every tax we pay is hidden somewhere in the production and distribution process.

The motion asks for a reform that will take into consideration all forms of taxation. The GST is part of a comprehensive reform of our tax system which includes changes in personal and corporate income tax, the introduction of refundable credits, the introduction of a tax on large corporations, and so forth.

The motion also asks for a tax reform that will not increase the overall tax burden.

• (1230)

We are proposing precisely a reform which, thanks to refundable credits, will give three quarters of one–parent families and households headed by seniors more after–tax income than they have under the present system. With the credit on inputs, our businesses and exporters will also find their tax burden lighter.

The Official Opposition's motion also asks for an integrated tax system. I presume that means a national system involving both levels of government. Mr. Speaker, from the summer of 1987 to last spring, we had detailed discussions with the provinces on the feasibility of an integrated national sales tax. Although we did not reach agreement, the discussions helped the government develop and design the GST. Furthermore, we are continuing our consultations with the provinces and the door is always open to creating a system with their participation.

Mr. Speaker, today we are at a crossroads in our political and economic history. What road will we choose? The one which leads to the future or the one which leads to the past? The road of reform, freedom and initiative or the road of the *status quo*, constraints and the faint–hearted?

As for us, Mr. Speaker, we have chosen the future. We are proposing reform and progress. We accept the challenges of political and economic integration with the world. That is the way to a stronger, more dynamic and prosperous modern Canada.

Unfortunately, in spite of what their motion says, our friends in the Opposition are proposing the opposite. With their gaze fixed on the rear-view mirror, they seem to want to take the beaten paths. Faced with a rapidly changing world, the Opposition is seeking the security of known ground. Faced with the challenges of a more open and integrated world, they want Canada to turn its back on the changes, reforms and initiatives of our trading partners.

Mr. Speaker, no one in this House will pretend that reforming our tax system will be simple or easy. That is never the case with big projects. However, few claim that this reform is not necessary for the country's financial and economic health. Because this reform is so important and complex, we listened very carefully to our fellow citizens from all regions and all sectors of activity. Their numerous suggestions did make it a lot easier to improve the original draft. They told us the rate was too high, so we reduced it while at the same time maintaining the essential balance between the various measures which guarantee the equity and protection offered to low-income Canadians.

We have also allayed some of the concerns voiced by businessmen who will have to meet the GST requirements. For example, we will give small businesses a one-time transition credit of up to $1,000, and we have exempted from the current sales tax points of sale electronic equipment and related stock management systems. This is on top of the 100 per cent deduction for the depreciation of this kind of equipment which we made public as early as last August. Then we made a number of technical changes to simplify the implementation of the tax, made the situation of competitive companies more equitable, and improved the tax application in certain sectors.

Mr. Speaker, the system we are proposing under the GST is in keeping with all the reform criteria advocated by the Official Opposition. It will be visible, fair, readily understandable and much simpler than the current system.

Give up our project, Mr. Speaker? Quite the contrary, it is time to act more than ever before. More than ever before, now is the time to build a strong and dynamic country. More than ever before, now is the time to control our own destiny.

Mr. Duhamel: Mr. Speaker, I have a question for my colleague. I should like to know whether you have had any opportunity to consider other approaches or other possibilities with respect to collecting the necessary taxes, and if so which ones? For example—

[*English*]

Did you look at what the blocking of the various loopholes that now exist would have yielded? Did you look at the possibility of more auditing and how much more funds that would have provided for government? Did you look at the possibility of examining the underground economy to see whether or not there would be some additional financing for government? Did you look at the possibility of increasing corporate taxes? Did you look at a possible new mix of fiscal and monetary policies?

[*Translation*]

What I really want to know, and I know that from the outset you as a government have emphasized the GST and a number of variations. But quite apart from these other possibilities I am interested to know what you have done to examine the suggestions I just mentioned. Was that really done? If so I should like to have concrete proof, not just comments to that effect.

Mr. Loiselle: Mr. Speaker, I thank the hon. member for giving me an opportunity to clarify a number of points. We did just that and I believe the results are proof positive. I would not say that all the options he suggested have been thoroughly explored. I would suggest these options relate rather to day-to-day management. He said something about loopholes.

[*English*]

You spoke about the loopholes. My colleague, the Minister of Finance, has provided the House with massive lists of loopholes which we have closed, loopholes which were introduced in our fiscal legislation by your party when you were in power.

Mr. Duhamel: How many still exist? That is what I am asking.

Mr. Loiselle: We are closing them all the time. There are fewer and fewer.

You talk about more auditing. Of course this is a question of better management. We have to keep trying to make sure that the taxes which are owed to the government do come in.

We have looked at all these measures to the extent that when we came into power, for example, our budget was far from being balanced as you know very well. We needed to borrow $16 billion just to make up for the expenditures, apart from the interest on the debt and so on.

Last year we were able to take $9 billion and use that to pay the interest. We have improved the situation by $25 billion. That is very good management. We have lowered the deficit.

Of course we must do more. We increased corporation taxes in the last budget by $2 billion. The package that was introduced by my colleague, the President of the Treasury Board, is linked with the GST. There is a limit to the pressure you can put on that.

When I listen to these stories about thousands and thousands of corporations making a profit and not paying any taxes, it always throws me off because it is not true. It was true many years ago, but we have worked in a very careful way to close these things and to make sure they pay their contribution.

Some companies have a profit which is paid as a dividend that is taxed. It cannot be taxed twice. Others are very small companies, many of them farms, which have had an average profit of $25,000 over the last few years. These are areas with respect to which we have been asked to be very generous in order to make sure that employment is maintained. You cannot have it both ways.

We are looking at all these avenues. I do not think that they can make up a major pillar of our taxation system.

[*Translation*]

Mr. Gauthier: A brief comment, Mr. Speaker. I think the Minister of State for Finance may have gone further than his text and perhaps even his thoughts. He said that Bill C-62 is "compréhensif dans son concept". I looked up the definition of the word because I had the impression the minister's definition is not the same as mine. "Compréhensif" means that which is easily understood and defined.

Mr. Speaker, the bill is one of the most complex ever tabled in the House.

• (1240)

It is not easy to understand, and when I hear him talk about a "readily understandable" reform, I wonder where on earth he got that idea from. Either he did not read the bill, and I am pretty sure the Minister of State for Finance has read it, unlike the Minister for International Trade who does not read his documentation. But where did he get the idea that this document is simple when we know that it is one of the most complicated, that, as the Canadian people keep telling them, it will be hard to interpret and, in many cases, very complex for small business, and that the manufacturing and others industries will have a hard time understanding and implementing it. I have a very straightforward question for the Minister, since it involves a remark I made on the meaning of the French word "compréhensif".

Will the Minister admit that this goods and services tax bill is the biggest tax break ever given to Canadian corporations? I am using these simple terms so that he will be able to answer my question. Will he admit that it is the largest tax break ever, what we would call a Christmas present, to corporations? The 13.5 per cent tax is being removed but there is no guarantee that they will be passing on these savings to the Canadian people under the GST.

Mr. Loiselle: The hon. member is quoting from the *Petit Robert*, I believe.

Some hon. members: The *Grand Robert*.

Mr. Loiselle: I must say that being in Ottawa, where we switch back and forth from one language to another, as he very well knows, we sometimes make mistakes. When I said "compréhensif" in French, I was probably using it with the English meaning of "comprehensive" or "wide-ranging". Besides that, the hon. member is right in a way. Canadians pay tax, but if you put the tax laws in front of them, not one of them could truly say they would be able to get through it, and that certainly applies to me. But if you like, while we are here—

Some hon. members: Oh, oh!

Mr. Loiselle: I can read it, but in fact I must say that I have good accountants to explain it to me. Those documents are indeed very complicated but we can summarize the main idea. When we talk about exemptions, for example, on basic food or medicine, not everyone necessarily has to deal with all that. They are

usually concerned with only one area and everyone will get detailed explanations.

So I think our bill is "comprehensive" in that it is all-inclusive. It is also "understandable" because 48 countries have such a tax. I do not think Canadians are dumber, as some would have us believe, than the people in those 48 countries that have a tax which works very well and is based on exactly the same principles as ours, often with several rates.

[*English*]

Mr. Fontana: Mr. Speaker, the minister talks about the proof being in the pudding. I suggest that the proof is that this government is incapable of managing the economy.

He talks about the future. Let me tell you, Mr. Speaker, that the future is a nightmare for lower and middle income groups, as well as small business, as reflected in the GST.

I suggest that this government wishes to punish the Canadian people for its mistakes and mismanagement of the economy. I want to ask the minister this: How is it that this government has raised taxes 31 times in the last five years, thus increasing taxes on middle income people by over 60 per cent and at the same time doubling the debt from $160 billion to over $360 billion in 1990?

Perhaps, while he is up, he may want to tell us what pre-budget consultation his government has undertaken in preparation of the budget to be tabled on February 20.

Mr. Loiselle: Mr. Speaker, the hon. member has covered a lot of ground. I do not know in the time remaining if I can cover everything.

He said that we are punishing the people. The economy has increased and of course people are paying more taxes, but their incomes have also increased to the extent that they have more money now than they had before.

Mr. Fontana: In their pockets? Are you kidding?

Mr. Loiselle: The hon. gentleman does not realize that the number of unemployed people who were there when we came into power was as a result of the awful state of the economy. We had to raise taxes to make up for the deficit we found when we came in.

In the last year there was a 17 per cent increase in spending. We have lowered that over a period of five years to 3.6 per cent, 5 per cent, and so on each year. We are very good managers and we are very proud of our performance. It is difficult to manage, but we have improved the situation considerably.

Mr. Thompson: Mr. Speaker, I just want to make a couple of comments on what the hon. minister had to say. What I want to emphasize the most is the fact that there has not been any real debate on this particular issue. The things we are hearing from the Liberal Party and the NDP are the same things we have heard all along. They say that there is no real debate. They are using the same kinds of tactics that they have used on any initiative that this government has attempted to take. What we do here is maintain the *status quo*, and we know the *status quo* has been broken. It has been broken since 1924 and we know it.

Every Canadian who has a head on his shoulders knows that this present tax system is broken. What do they want to do, hold on to it?

I suggest that Canadians put that question to each and every Liberal candidate who is seeking the leadership of that party. In fact some are on record as saying that they would maintain the *status quo*. That is exactly the same thing they have done since Confederation—maintain the *status quo*. But they do not attempt to do anything different, anything that might take a little imagination or anything that is the least bit controversial. They will always take the easy road. They have done it for years. They will take the easy road and the low road. They have not changed.

Mr. Loiselle: Mr. Speaker, I would certainly agree that it is not an easy road, but it is the only good road for the economy and the people of this country. We are taking it.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I want to thank you for allowing me to enter into this debate under the rules of this House. I have been very interested in sitting here listening closely to what people are saying and hoping to become informed.

I thought the member from the Liberal Party who asked the questions about the 30 increases in tax and the increase in the deficit had some very valid questions. I

was disappointed that the minister did not respond to those valid questions. In effect, what the minister said to my friend in the Liberal Party is that the reason we have more debt is that we have more money. That is right.

It was Orwellian. He said that we have more money in the economy, people have more money in their pockets, ergo, we have more debt. My parents raised me during the depression years. When we had more money we paid down the debt.

The Conservatives have invented a whole new strategy in the economy. When you have more money, go deeper into debt.

Mr. Larrivée: He didn't say that.

Mr. Barrett: He did. You read what he said.

The logical conclusion of his statement is that if we have more money then we have more debt. My God, let's go poor so we can pay off the debt: that is the stupidity of the attitude of this government in terms of its responsibility.

[*Translation*]

Mr. Loiselle: Mr. Speaker, I would like to tell the hon. member that is absolutely not what I said. I did not have time to get into the subject of the debt. I could answer him that the debt rose because we carried forward the Liberals' deficit, although we reduced it. That is obviously not what I said. I explained that Canadians paid more tax because their incomes were higher and they had more money in their pockets.

[*English*]

Mr. Barrett: Mr. Speaker, I don't mind the interruption as long as it does not come off my time. Not only do they squeeze up the debt, they take up other people's time. I want that time recorded back to myself.

What I got out of it is inescapable Orwellian thinking. We have more money, therefore, we have more debt and that is all there is to it.

I like to hear all this discussion from an academic sense from the minister. It is a lecture that says to the Canadian people: "We have to be responsible. We have to pay these bills down. The rich cannot afford to do this, otherwise they would not be rich any more. It has to be the poor and the middle income earners who will have to do it".

• (1250)

After all, I understand the Conservative philosophy. If we tax the rich they will not be rich any more. Would that not be unfair? They would have to pay taxes and maybe not enjoy the luxuries as much. Therefore the poor and those in the middle must pay the tax.

I know now the purpose of this coin established by this government. It is known as the loonie, which is absolutely appropriate. Before somebody in the middle income tax bracket gets to spend this loonie it is already reduced to 70 cents because of the 30 per cent, on average, tax that has been paid. Some poor bank clerk, some security attendant or some other people who service this place get a loonie, and it is only worth 70 cents.

Then they live in a province where they have on average a sales tax of 10 per cent, but not Alberta. I will come to Alberta in a minute. We are not going to hear from the Alberta MPs. I have to speak not only for British Columbia but for Alberta because the Alberta members have been struck dumb on this issue. It is incredible the new handicap they have. They are speechless politicians, a genre unique to the Tories of Alberta. When you raise the question of GST, they are gone, dead, disappeared, with the exception of Kindy who they want to trade off anyway. He is the only one from Alberta who says he is against the tax.

Returning to the loonie, Mr. Speaker, it is down now to 70 cents. With 10 per cent on a provincial tax it is down to 60 cents. There is 4.5 per cent off for inflation and another nickel on stupid high interest rates and we have a 50-cent loonie.

That is what average people have in their pockets after they have already paid taxes. The surtaxes on the taxes reduce this loonie to 50 cents. We have a government of 50-cent loonies. They are four-bit loonies. It is a whole new expression. The Tories are four-bit loonies, and they are trying to tell us that they are being fair with the taxes. Goodbye loonie, spend it now before it goes down to 40 cents. The way these guys are going they will have to use these in nickel slot machines and hope for the best.

Let us talk about debate. The Conservatives say: "We have been fair. We have listened to people. We are the Conservatives. We believe in democracy". Yesterday was the twelfth time we have had closure in the life of this Parliament. The door is closing more frequently in this

debate than it is in the washrooms of this Chamber. They close the door with everything they do. On debate, it is closure, closure, closure.

Now we are going to go to committee, and do you know what is going to happen, Mr. Speaker? I know what is going to happen. I hate to share this with the House. Thank goodness there are only a few people here.

They are going to have the committee meetings here in Ottawa. They are not going to travel across Canada. They are not going to open the doors to ordinary people. They are going to use my good friend, that fellow from Mississauga, as the chairperson of the committee. He is going to say: "No, we are not travelling. No, we are going to close it down". It is a whole new concept. Not only are they going to have closure in this House, they are going to use closure on the Canadian people by keeping the committee here in Ottawa.

Some 80 per cent of the population is against this tax. Why would a government pursue a policy when 80 per cent of the voters are against it? We have to ask who their masters are. If the masters are the *vex populi*, the ordinary Canadians, men and women who say they want a government that is reasonable, responsible and fair, 80 per cent of whom say they are against the tax, then reasonable people will expect that a responsible government would say: "80 per cent of the people do not want to pay the tax. We had better take a second look".

Who do they represent? It is not the 80 per cent. They represent the corporate elite in this country who have been dictating the fiscal agenda in this Chamber since the Tories got elected.

It is a big problem for the Liberals. Some of them are actually Liberal. They are going to have a fight about who dictates their agenda, but we know that that is a separate problem. As a social worker I am available, for a fee, to assist them.

Mr. Duhamel: You are doing well so far, so just back off.

Mr. Karygiannis: No hidden microphones here.

Mr. Barrett: I do not mean to rile up the Liberals. The reality is—and we heard it today—that the Liberals have declared publicly: "We are against this tax. We are mad at government. Please don't pass it, but if it does pass I guess we are going to have to keep it if we are in government".

You know, Mr. Speaker, I heard it with my own ears. There it is, Mr. Speaker, right out in the open: no bugs.

There was closure in the House. There will be closure in the committee. That is exactly what the Liberals want.

Some hon. members: Oh, oh!

Mr. Barrett: The Liberals are chuckling, giggling, and laughing behind the curtains. They look at the polls which show that they are away up and may win the election. These guys across the way are committing suicide, and the Liberals are going to embrace the hemlock and live off it because it is their fault.

Do you know who is getting hosed in this, Mr. Speaker? The same people who have the 50-cent loonie from this outfit. Ordinary Canadians are being taken for a ride by the same two old line parties which represent the corporate interest, the bottom line of this country, no matter what is going on.

The member said that I was a Minister of Finance. He is correct. We squeezed $800 million out of the oil companies that the federal Liberals were allowing to go into U.S. pockets. That was a change in taxation. You should have heard the former ministers, except for their leader, who had the courage to take it.

Mr. Milliken: And the people threw you out.

The Acting Speaker (Mr. Paproski): I would like to hear the hon. member. The hon. member for Esquimalt—Juan de Fuca has the floor.

Mr. Barrett: Mr. Speaker, I am glad you intervened. I was getting so interested I wanted to hear myself.

Perhaps we could agree, Mr. Speaker, that it is one o'clock and I will complete my remarks later this afternoon.

The Acting Speaker (Mr. Paproski): The hon. member will have eight minutes left in his speech, plus ten minutes for questions and comments when we return after lunch.

It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.57 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NATIONAL UNITY

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, as Canadians we are fortunate to live in such a wonderful country. Created out of a wilderness with the blood, sweat and tears of people from every part of the globe, we are the envy of the world. But there is a lesson to be learned from historic events occurring in eastern Europe where every day walls are being torn down.

The world is full of examples of what can happen to a nation when its people lose faith. In Ontario, municipalities have been expressing their concern for the economic impact of the province's Bill 8, an act to provide for French language services.

Some of these municipalities are in my federal constituency in eastern Ontario, and they have expressed disappointment and surprise at the recent irresponsible statements made by the premier of Ontario on this sensitive and deeply rooted issue.

Let us remember that, only through goodwill and tolerance, can we hope to have a stronger and unified Canada.

* * *

LAND CLAIMS

Mr. Maurice Foster (Algoma): Mr. Speaker, on February 2, an agreement in principle was reached between the Ontario government and five Indian First Nations on Manitoulin Island, concerning their historic land claim involving some 36,400 hectares of land and $8.9 million in land and money.

Once the agreement is ratified by the parties involved, it will settle at the provincial level a land claim that has been going on for many years which has caused uncertainty not only for the bands but, as well, the municipalities of the Manitoulin district.

So far the federal government has refused to negotiate with the Manitoulin First Nations their part of the land claim; that is, to pay compensation for the loss of the use of these lands for the past 128 years since the treaty was signed in 1862.

Now that Ontario has reached an agreement on this claim, I call on the federal government to sit down with the Manitoulin First Nations and negotiate a fair and equitable settlement for this land claim. It is essential not only for the First Nations of Manitoulin, but for the entire district.

* * *

ATLANTIC CANADA

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, on December 13, the Prime Minister made a commitment to Atlantic Canadians that this government would be as generous to them as it had been to Prairie farmers last year.

The Prime Minister reaffirmed this commitment on January 22. Where is this help? Tens of thousands of Atlantic Canadians are facing no future if they choose to stay in the region. They see their jobs disappearing, their communities and way of life threatened.

Ken Stein, who heads the government's task force charged to provide cabinet with options for the Atlantic fishery, told the fisheries committee that the best approach is more research and development of underutilized species and advised the committee that the government was not interested in subsidizing the industry.

Canso, the first community to benefit from this thinking will lose its trawler fleet and see the replacement of 800 jobs with 150 jobs shared between 300 people. Some solution!

This is the federal government's idea of help when at least two-thirds of those involved in the fishery can look forward to losing their jobs, having to leave their communities and those remaining can look forward to temporary work at best?

What are these skilled Atlantic Canadians to do between now and when the stocks are replenished? When is the Prime Minister's commitment to provide Atlantic Canada with $1 billion worth of aid—the amount he said he provided the prairie farmers—going

to be fulfilled? When are Atlantic Canadians going to see a full-blown strategy to deal with the crisis they face?

* * *

OFFICIAL LANGUAGES

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, since my arrival here some months ago I have been puzzled by the absence of discussion about language. My view is that after many years of official bilingualism there is still a great misunderstanding between the French-speaking and English-speaking Canadians.

To English Canada the language issue is one more of economics, language and convenience. To French Canada the issue is one of culture and the very way of life.

As a unilingual Canadian I have experienced the isolation of being in a group of French-speaking Canadians and not understanding what is being said. Perhaps this is the same isolation that French-Canadians feel in a continent which is mostly English.

French members on the other hand express surprise that language is even an issue at all in my English riding. But in an area of high unemployment and limited opportunities many people otherwise qualified for government jobs are disqualified because they do not speak a second language.

Now municipal, provincial and federal governments are passing language laws but laws will never resolve these questions. Only understanding will. Understanding should start right here. I urge English and French members to begin a dialogue to begin to understand our differences and then maybe we can develop some successful solutions.

* * *

CATALOGUE MAILINGS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Canadian Forces Bases Borden, Kingston, and Petawawa were recently the target of a catalogue mailing from a lingerie company. The recipients of this mailing are upset and deeply offended.

The catalogue in question arrived unwrapped and contained pictures that are borderline pornography. In many cases children in the families were the first to see the catalogue. This has upset many parents who feel that their fundamental right to choose what is acceptable or not has been challenged.

More important, the fact that they were the only people in the ridings to receive this material is unsettling. It casts aspersions upon the character of these people. It is as if the company that manufactures these goods feel that Canadian Forces personnel are more likely to purchase them than anyone else.

Canada Post adheres to the Criminal Code when deciding what should be wrapped before it is mailed. To that end, I am looking into proposing an amendment to the Criminal Code that deals with the problem of offensive and targeted mailings.

These peoples' rights have been infringed upon and such incidences should be rendered preventable.

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[*Translation*]

INTERNATIONAL HOCKEY PEEWEE TOURNAMENT

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, today is the official opening in Quebec City of the 31st International Peewee Hockey Tournament, Mr. Alex Légaré presiding.

I wish to take this opportunity to praise the dedication and understanding of a man who, for more than 10 year, has done everything to help these young hockey players.

I also wish to mention all those who worked so hard to organize this tournament and the many sponsors who have made this event a resounding success.

A word of praise also to the parents who accompanied their children on frequent trips, which in many cases, Mr. Speaker, had to be organized with very limited resources.

And now I wish to congratulate our young hockey players, on behalf of the people in Québec-Est, for their energy and courage in preparing for this competition, and I wish them the very best of luck.

[*English*]

MINORITY RIGHTS

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise today to express my deep concern with the spread of serious symptoms of intolerance in our country.

Recently we have seen many examples of this ugliness. A pin showing a white person surrounded by stereotyped and menacing images of minority groups, a vulgar and racist handbill declaring open season on native people, a racist anti-Sikh calendar, many failures to respect minority language rights here in Canada.

Canada is built on tolerance. When this fundamental characteristic is eroded we lose the essence of what it is to be Canadian. The national government must really play a leadership role, a substantive role. It must stand up for minority rights everywhere and it must stop the continuing polarization of the have and the have-nots in this country.

* * *

• (1410)

DONALD MARSHALL INQUIRY

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, Nova Scotia's Attorney General may have apologized to Donald Marshall but Nova Scotia's response to the Marshall Commission recommendations are deceitful and defensive.

They exonerate the justice system again by blaming Marshall's socioeconomic status rather than the justice system for his poor treatment. In fact, Nova Scotia boasts that its system treats Indians better than western provinces, which put more Indians in jail. Nova Scotia has rejected virtually every substantive recommendation of the Marshall Report but has couched its rejection in the language of acceptance.

The refusal of Nova Scotia to accept the Marshall Inquiry's recommendations, and to be honest about the shortcomings of its justice system, amount to another whitewash. It means we will be seeing more cases like Donald Marshall's.

S. O. 31

I call on the Minister of Justice to take immediate and effective action at every level of the justice system throughout Canada so that our aboriginal people can receive fair treatment under the law.

* * *

OFFICIAL LANGUAGES

Hon. Bob Layton (Lachine—Lac-Saint-Louis): Mr. Speaker, last week the Secretary of State and the Minister of Education for Quebec announced a series of innovative measures to be undertaken by the provincial government. These will constitute part of the federal-provincial agreement on official languages in education.

Given the extent of the English language school system in Quebec, the province receives a sizeable portion of the financial assistance allocated by the federal government to the provinces.

Under the agreement, the Government of Canada will contribute $328 million over the next four years toward minority language education and second-language teaching in Quebec.

This financial assistance will permit the Government of Quebec to direct $27 million toward new capital projects in various English-language educational institutions. Significant sums will also be directed toward the teaching of French and English as second languages.

The two ministers have also announced innovative initiatives to encourage exchange and dialogue between young people from our two linguistic communities. As well, a number of joint projects will be established to give support to francophones outside Quebec in the area of education.

It goes without saying that these measures are both timely and desirable for the harmonious development of our Canadian linguistic duality.

* * *

JUSTICE

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I rise today to inform the House of a grave miscarriage of justice.

S. O. 31

During the evening of April 29, 1989 five young women were seriously wounded when the car in which they were driving was hit by a van driven at high speed in the wrong direction on a one-way street.

The van had been stolen, the driver, Gérard Arbic, had just been released on parole. He had no driver's licence. With two accomplices he was trying to escape a police chase after the burglary of a supermarket. Gérard Arbic was later sentenced to seven and a half years in jail.

Milva Di Francesco is one of my constituents. She is one of the young women injured in the collision. She is 19 years old. Right now she would have been starting commerce or business administration at McGill or at Concordia University. She had been accepted by both institutions. However, she has been unconscious since the night of the accident.

With good behaviour Gérard Arbic will probably be eligible for parole in two and a half years. Milva Di Francesco will probably be still in a coma.

[*Translation*]

Mr. Speaker, I have here a petition that I will give personally to the Minister of Justice.

This petition contains more than 9,000 signatures of Canadian citizens who call upon the federal government to amend the legislation so as to impose more severe sentences for criminal offences causing serious bodily harm or leading to death.

Mr. Speaker, the government should also do more to help the victims of crime and their families.

* * *

[*English*]

THE ECONOMY

Mr. Doug Fee (Red Deer): Mr. Speaker, I have received an overwhelming response to a survey on the goods and services tax.

Several hundred people did more than reply. They wrote letters, many of them three and four pages of ideas and constructive criticism. Of the total replies received, 29 per cent were categorically opposed, 8 per cent offered their unqualified support and 63 per cent offered a qualified support, mainly a call on the government to practise restraint and reduce spending. The detailed results of my survey have been forwarded to the Minister of Finance. I have assured him that the people of Red Deer understand the need to eliminate the deficit and control the debt. They will support—indeed, they demand a tough budget and further restraint in government spending.

* * *

CHANGING WORLD EVENTS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, yesterday's decision to eliminate the monopoly power of the Communist Party in the USSR must surely now convince even the most stubborn that a security system based on the notion of "better dead than Red", is now truly archaic.

A nuclear strategy designed to incinerate the people of eastern Europe and the Soviet Union and ourselves in the process, was always heinous and unacceptable. Its continued existence now is nothing less than radical evil.

Let us finally bury the big scare, and while building a new common security system in Europe, turn our political and moral energies to many other countries which are equally in need of *glasnost*, like Burma, which has been called Asia's Romania; or South Korea where we hear too much about economic miracles and too little about continuing repression; or Taiwan where a Canadian like Yih-Sheh Leo was recently arrested and detained for political reasons; or China proper, which continues to oppress its own citizens, and Tibet.

The list goes on, but it is not endless. It is finite and susceptible to human purpose. May all the anti-Communist energies that have been used for good or ill over the years be turned against oppression of all kinds, economic and political, in whatever guise.

* * *

INVESTMENT CANADA

Mr. John Harvard (Winnipeg St. James): Well, here we go again. Another plant will close in Canada. This time a battery plant will close in my riding after another sale to an American company and 175 jobs will be lost. Investment Canada has approved the sale, but why? This is the government agency that has a mandate to protect Canadian workers and Canadian investment.

If there is a net benefit to Canada in this sale, where is it? It would be difficult to convince the workers that there is a net benefit to them. It would be difficult to convince Winnipegers that there is a net benefit to them.

If there is a net benefit to Canada, it has not been spelled out by Investment Canada or by this government.

Winnipegers and Canadians have a right to know. I challenge the government to make the facts public right now. In this sale, western Canada loses all of its battery production. Under this deal, Americans have gobbled up another Canadian competitor. Where will it all end? Canadians want answers and they want them now.

* * *

REVENUE CANADA

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the Minister of National Revenue's office recently held meetings with local customs officials to discuss the matter of extending services at Centreville, in my riding of Carleton—Charlotte. At that meeting there was unanimous resolve on the part of local departmental officials and union representatives to find a solution that would extend commercial service beyond the current deadline of 5 p.m. To date, officials in Ottawa have resisted such a change, citing that such a move would be contrary to the department's need to reduce expenditures.

The facts do not support this position. The number of people on duty after 5 p.m., at Centreville does not change. Consequently, there will be no need to increase staffing budgets. Furthermore, the volume of traffic is such that the additional time needed to process commercial entries would not seriously affect the department's ability to serve non-commercial traffic.

In short, the only real difference resulting from this change in status is the ability of the department to better serve the needs of the local community.

I call upon the Minister of Revenue to direct his department to—

Mr. Speaker: Unfortunately, the hon. member's time has expired.

* * *

USSR

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the events of recent days in the Soviet Union have been extraordinary. Mikhail Gorbachev has shown courageous leadership in moving his country toward democracy and economic renewal. We should commend his vision and applaud his skills.

By taking these steps, Mr. Gorbachev has also given a challenge to all other countries. The challenge is to dare to undertake those procedures which will build a mutual environment of confidence. All countries should work to respond to this opportune moment in history.

Next week, in Ottawa, Canada will have the opportunity to play a leading role in advancing the confidence-building measures. The Open Skies Conference is a unique occasion for Canada to make a substantive contribution to verification procedures, tension reduction and confidence-building. This statement is shared by all members of the Standing Committee on National Defence and Veterans Affairs.

ORAL QUESTION PERIOD

• (1420)

[*English*]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. He knows that the legislation imposing a 7 per cent tax on all goods and services has not yet passed this House, has not passed the Senate, and has not received Royal Assent and yet he will recall that last fall he authorized the spending of over $1 million of taxpayers' funds to put ads in all the newspapers to say that the tax was a fact and asking Canadians to save those ads.

Well, apparently, Mr. Speaker, in spite of even your condemnation of these ads, some firms apparently did save this notice and are already charging the new tax to Canadians. Will the Minister of Finance confirm that Metropole Emergency Response Centre of Winnipeg is already billing its clients for this new tax, and will the Minister of Finance tax immediate steps to find out how widespread this practice is and take immediate steps to have it stopped immediately?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. colleague is quite well aware that it would be quite inappropriate for any company to charge GST today. There is a federal sales tax in place. That is the only federal sales tax that should be levied on any good today, and until that is eliminated, which will be the case with the GST, then it is inappropriate. If my

colleague would like to provide me with the details that he has just mentioned to me right now, I would be happy to look into it.

[*Translation*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I would be delighted to send the Minister of Finance the facts on this situation, but what we have here is evidence of a blatant lack of respect for democracy and the House of Commons of this country. As I said before, ads appeared in the papers, telling Canadians that the House had spoken and that in any case, we would have a new tax as of January 1, 1991. A $14 million advertising campaign was launched to persuade Canadians to accept the new tax. Debate in this House on one of the most important tax proposals in our history was blocked with a motion of closure. The fact that today, people are being charged a tax that does not yet exist, is, I would suggest to the Minister, a logical consequence of this systematic erosion of the democratic process. Why did the Minister let this kind of situation develop?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure what the focus of that last question of the hon. member was. The point I should make to my friend is that the advertisement of which he is critical was an advertisement in late August which advertised a 9 per cent tax. Clearly the person who is charging 7 per cent, according to the allegations that he has just made, is dealing with another piece of information besides that particular ad, so the two things are not linked.

Now, he has made the point that we have ended debate on the second reading of the GST legislation. I think he understands the reasons we had to do that. We had offered the House the other day four hours of debating time and the opposition parties, particularly the New Democratic Party, wasted three of those hours. This place is for debate. I think it is important that we understand—

Some hon. members: Order.

Mr. Speaker: The hon. member.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister is attempting to defend the indefensible when he talks about the government imposing closure on debate on second reading of the GST legislation in this House. If he is so concerned about that and so interested in debate, will he give an undertaking on behalf of the government that in spite of what the chairman of the finance committee says about getting the legislation through his committee in only four weeks, he will insist that the Conservative majority in that committee give Canadians all the time they need to make their point about how bad this tax really is?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague, the House Leader and the Whip of the Opposition, has said—I am using his lines on this—that what the New Democratic Party was doing was silly; it was wasting Parliament's time. This is the reason that we moved the way we did yesterday.

As far as debate is concerned, we have been dealing with this particular legislation going back to a White Paper in June of 1987. We have had extensive consultations, discussions with organizations, social groups and labour groups that were interested in it. We have discussed the matter with the provinces. We had another paper in the April budget, the technical paper in August, the draft legislation in October and the response to the finance committee. The finance committee worked all through the fall. We have had tremendous openness and consultation discussion on this.

Ms. Clancy: Nonsense.

Mr. Wilson (Etobicoke Centre): It is now time that we get on with the job.

* * *

INTEREST RATES

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is for the Minister of Finance. The bank rate today went up to 12.79 per cent, the highest in the five and a half year record of this government. Historically, the real interest rate in Canada, that is, the interest rate minus inflation, has been about 2.5 percentage points. With today's rate increase this real interest rate has gone up to about 7.5 per cent. When is the government going

to recognize that its high interest rate policy, which is driving us into recession, is wrong?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if I may quote my hon. friend when he was on this side of the House in 1981, "there is no quick and easy solution to dealing with the problems of inflation and getting interest rates down."

We acknowledge, we recognize the importance of low interest rates to the health of an economy. But, we also know that it is important to get those interest rates down on a permanent basis. That can only be done if we can get the problem of inflation under control. We are facing the problem of inflation. We are facing up to it in a way that the previous government, through the 1970s and early 1980s, did not face up to it. That is why we got into the problem with which the hon. member was presented when he made those comments in 1981. These matters take time. We are dealing with them and we are going to follow through on the plan that I presented in November of 1984 as well as in the April budget last year.

Mr. Jim Peterson (Willowdale): Mr. Speaker, the difference between myself and the minister since 1981 is that I think I have become wiser.

Some hon. members: Oh, oh!

Mr. Speaker: Wisdom is rare and should never be denigrated.

Some hon. members: Oh, oh!

Mr. Peterson: Certainly on the government benches, Mr. Speaker.

The historical difference between U.S. and Canadian interest rates has been about two percentage points. With our rate increase today, this spread is well up over 4.8 percentage points. This high interest rate policy, which artificially inflates the value of the Canadian dollar, is having very serious consequences for Canadian exporters and Canadian workers. Will the minister table in this House and make public all communications that he or his officials have had with their American counterparts since prior to the free trade agreement being signed up until now with regard to keeping our dollar high in order to help the Americans with their trade deficit at the expense of Canadian exporters and Canadian workers?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the wisdom that my hon. friend displayed in the opening part of that question deteriorated badly as he got through to the final posing of the question.

The point that my hon. friend is making is that interest rates are causing some difficulties within the country. I understand that, but I also understand what the alternative is. If we do not deal with the inflation problem, we are going to have some very serious, longer lasting problems with high interest rates.

My hon. friend said he is wiser today than he was back in 1981. I would hope so, because in 1981 he was defending a policy which led into the most serious recession that we have had in many years. That is what we are trying to avoid.

He also said he wants to see all of the correspondence that is exchanged between this government and the United States government. Surely he understands that that is a ridiculous request to make.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): I also have a question for the Minister of Finance, Mr. Speaker. This afternoon, the Bank of Canada sharply raised interest rates in this country and the discount rate is now at its highest level since the summer of 1984. My question is therefore addressed to the Finance Minister. When will he stop being John Crow's puppet? When will he tell John Crow, the Governor of the Bank of Canada, that enough is enough, that interest rates in this country are now too high for ordinary people?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, at any time when one is dealing with very difficult and complex matters of government and public policy, one always has to look at alternatives. My friend says, "get interest rates down". Tell me, how is he going to get interest rates down? Is it just picking up the phone and speaking to the Governor of the Bank of Canada and saying, "Governor, get the interest rates down?". That does not work, because you have to get interest rates down through operations in the marketplace. That leads to an increase in bank loans, and that leads to higher inflation which automatically leads to high interest rates on a permanent basis and an ongoing deterioration of the competitive position of the Canadian

economy. That costs jobs, and when we lose jobs, we lose those jobs on a permanent basis.

We understand the importance of getting interest rates down. We would like to do so, but we want to get them down on a permanent basis. The NDP approach to getting them down simply will not work.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, back in June the finance committee, supported by all three parties in this House, told the minister how to bring down interest rates in this country. It seems to me that Mr. Crow is only flying on his right wing. There are alternatives. This morning the Conference Board said that business confidence in this country is at a level almost as low as 1981, and that was before the increases in the bank rate this week and again last week.

Because of the economic and monetary crisis in this country, when is the minister going to present a budget to this House to deal with that crisis facing the Canadian people? When are we going to have a budget, and when are we going to have some concrete action?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are going to have a budget on Tuesday, February 20. In that budget we are going to set out in a very clear way how we are dealing with the problems that we have today and how we are going to continue to deal with them into the future.

What we are doing now and what we are proposing to do is a continuation of the plan that we have had in place since November, 1984. The results of that plan have been that job creation in this country has been the best of any of the major industrialized countries, and economic growth in Canada has been second only to Japan and only by a small margin short of Japan. What we have been doing is working, and what we are going to do in the future will also work and will lead to a continuation of the excellent record that we have had so far.

Mr. Lorne Nystrom (Yorkton—Melville): I do not think any serious Canadian believes what the Minister of Finance is saying. He is sounding more and more like Allan MacEachen every day.

Is the Minister of Finance not aware what a high interest rate policy is doing to farmers in this country, to small business people, to Atlantic Canada, to the regions, and to the north? If he is not aware of that, why does he not he take up his responsibility and resign as Minister of Finance, or call upon John Crow to resign as the Governor of the Bank of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the preamble to the hon. member's question, he just delivered the ultimate insult. I cannot accept the recommendation that he has made.

What I will say to my hon. friend is that I am very much interested in the well-being of the small businessman, the farmer, the fisherman, the people in various parts of this country, and the people who live in all regions of this country.

I am convinced that the approach which we have been following over the last five years is absolutely the right approach, and it has been proven in the economic record that we have seen as a country over these past five years. We want to continue that record, but we know that if we ignore the inflation problem that we have seen developing over the last couple of years, we are going to get right back into the problem that Mr. MacEachen got us into back in 1981–82.

An hon. member: That is where you are going.

Mr. Wilson (Etobicoke Centre): My hon. friend says that is where we are going. That is precisely where we are not going to go, and that is precisely why we are doing what we are doing so we can avoid that.

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PRESENCE IN THE GALLERY

Mr. Speaker: I wish to draw to the member's attention the presence in the gallery of His Excellency Gyula Horn, Minister of Foreign Affairs of the Republic of Hungary.

Some hon. members: Hear, hear!

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Deputy Prime Minister. Today's papers carried the shocking news that the government's

long-promised environmental action plan has been scuttled and all Canadians will get is a discussion paper.

Canadians were promised an action plan, concrete measures, timetables and money for the environment. Once again they have been betrayed.

Why has the Deputy Prime Minister and, for that matter, the Prime Minister allowed in-fighting in cabinet to destroy the most important action this government needs to take?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, that question has been answered in the House before. It was referred to by the Prime Minister a couple of days ago. Clearly, the action plan that the Minister of the Environment has referred to is in the process of being developed. There are broad-based consultations currently under way.

I can assure the hon. member that there will be a comprehensive environmental package that will be introduced pursuant to the commitment made in the Speech from the Throne.

[*Translation*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is also for the Deputy Prime Minister. Canadians want concrete measures, right away. The government once again has not kept its word, its promises. Why is the government treating the environment as a second-class matter? Why does it not have an action plan for the Budget?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, with respect, that statement is absolute nonsense. The fact of the matter is that this government has a tremendous environmental record. The Prime Minister has made a commitment.

Some hon. members: Oh, oh!

• (1440)

Mr. Mazankowski: Obviously, the hon. members were not paying attention when I reeled off the long list of environmental initiatives that this government had undertaken.

Mr. Crawford: Rhetoric.

Mr. Mazankowski: The hon. members cannot have it both ways. On the one hand, they argue that there is inadequate consultation with the people of Canada, and on the other hand, they want firm action right now. Well, they will get firm action as soon as the consultative process is completed. I know very well that the hon. member will be very pleased with the action plan that the Minister of the Environment will unveil.

* * *

[*Translation*]

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance.

On page 8 of the GST brochure published recently for small business there is an accounting table which implies, wrongly, that small businessmen can collect their accounts receivable at the same rate as their outstanding bills.

Mr. Speaker, I want to ask the minister to give us one example of a small business likely to use such an unrealistic accounting procedure, and to explain why he used such a misleading example in a brochure aimed at helping small business understand this unfair tax.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. friend is asking a question which would be more appropriate outside of Question Period. However, if he would like to provide me with the specifics of a detailed question like that, I would be happy to respond to it.

What is proposed in this booklet is an illustration of how the accounts of a small business can be conducted for purposes of calculating the goods and services tax. My friend would be quite interested in knowing that about 25 or 30 per cent of the calls to the 1-800 number for the GST are asking for the precise information that we are giving in this type of a book and in other brochures that we have prepared for the Canadian people.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I cannot believe it. This is the minister who said this tax was so simple, so easy to understand.

Will the minister admit that even the so-called simplest aspects of his tax are based on a lack of understanding of small business, and how small business works? If the minister cannot understand small business, how does he expect small business to understand him and accept his tax. Will he, right now in this House, withdraw the

brochure which was sent out to over 1.8 million people and withdraw this tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it absolutely clear to this House that we are not going to withdraw the tax. What we have looked at on many occasions in discussing this matter with members of the House, are alternatives. What are the alternatives for a goods and services tax? The Liberal opposition has no alternatives. I have requested alternatives from the Leader of the Opposition, the finance critic of the Liberal party, and I will ask the member for Willowdale, if there are alternatives that the hon. members would like to put forward, we will be happy to review them.

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Deputy Prime Minister. As he knows, the Minister of the Environment, on behalf of the government, promised environmental assessment legislation in the spring of 1989 for the fall of that year, and we still do not have it. He promised last fall that there was going to be a five-year action plan announced around budget time and that, apparently, is one or two weeks from now.

Since this government has had five years to come up with an environmental action plan and still does not have one, can the Deputy Prime Minister give us a date when there is going to be an environmental action plan which has what the minister promised, a plan of action, a list of concrete measures, the amounts that will be spent and a clear timetable? When do we get it, 1990 or 2000?

Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the hon. member asked whether or not the government's comprehensive action plan would be available in 1990 or 2000.

I can say to the hon. member that after the appropriate period of consultation with environmental groups, with industry, with provincial government representatives, there will be both legislation introduced into this House and an action plan deposited in this House in the year 1990.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Deputy Prime Minister, again on behalf of the government. On Monday this government voted against completing the national parks system by the year 2000, even though the Minister of the Environment is on the public record, on behalf of the government, promising the completion of the national park system by that year.

Would the Deputy Prime Minister advise this House whether or not sufficient planning, staff and funds are in place to complete Canada's national park system by the year 2000? Yes or no.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, this government reformed the National Parks Act in its last mandate. It has allocated major new funding to Canada's historic buildings and sites.

As a matter of fact, we established the first national marine park at Bruce Peninsula, the Rouge River Wilderness area, $106 million to South Moresby for the creation of a national park in an area of sustainable development, which I am sure the hon. member supported. We created six new national parks which protect over 40,000 square kilometres.

Mr. Speaker, that is a record. That is a solid record of progress and achievement.

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HOUSING

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, my question is for the Minister of State for Housing. Violence against women is intolerable, unacceptable, and it must be stopped.

In June 1988, Canada Mortgage and Housing Corporation, in conjunction with National Health and Welfare, allocated $22 million to support the development of emergency shelters for victims of family violence.

To date, I have not heard any further news with regard to this $22 million. In light of what happened Monday in Calgary when a woman was sexually assaulted at a busy intersection, can the minister please tell this House what has happened to this program and just where the $22 million has been allocated?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, the hon. member is referring to a program known as Project Haven under which the federal government committed to pay for some 500 new hostel rooms

across the country for women and children who are the victims of family violence.

As of the end of last year, some 100 of those allocations had been committed. We expect that some 275 more of those units will be committed by the end of June.

Unfortunately, at the moment we have not been able to reach any agreement with the province of Ontario or the province of Prince Edward Island with respect to these allocations. In Alberta, we have put out two proposal calls for bids. We have received only seven expressions of interest, unfortunately none of those were in the city of Calgary. I hope that the hon. member will encourage the social housing groups in the city of Calgary to put in submissions so that units can be built there.

* * *

FISHERIES

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister for International Trade. It is 24 hours later and the situation at National Sea Products in St. John's still has not been resolved. The union has rejected the National Sea plan. My question is very simple. With all the authority that the Government of Canada has under the Fisheries Act, why has it not acted to help the hundreds of workers who are out of work?

Let me throw the minister's own words back at him, when is he going to get off his duff and do something about National Sea?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is hard to tell whether or not the hon. member understands the situation with respect to the east coast fishery.

Mr. Robichaud: You don't understand it.

Ms. Clancy: We understand it all too well.

Mr. Speaker: The hon. minister has been asked a question. I am sure that hon. members would want him to answer it. The hon. minister.

Mr. Crosbie: Thank you, Mr. Speaker. There is a problem with the availability of the resource to National Sea. They have lost in the last several years something like 159 million pounds of quota to process, so they no longer have this fish to put through all of their plants and had to make a decision to close several plants.

After considerable urging from myself, and others, they have now come up with a plan that would provide, on a permanent basis, 100 full time jobs in a shrimp shucking operation at the St. John's plant; 170, if the workers agree to time share, and another 130 workers would be employed in trawlers and in landing fish at the plant. So that would be about 300 people who would retain employment out of the 450 affected by the present lay-off notice.

In addition, the government of Newfoundland entered into an agreement with the company so that the company would operate on the present basis until August 5, thereby extending the period of notice by some four or five months.

Now I think that the workers should consider carefully the proposal that the company has made and consider what the alternatives are, because there does not appear to be other alternatives.

Hon. William Rompkey (Labrador): Mr. Speaker, my supplementary is for the same minister. Yesterday, he told us that unemployment insurance was the salvation of Atlantic fishermen.

I want to tell him that 50 per cent of the fishermen and plant workers in my riding did not qualify for unemployment insurance this year. The plan which this government has gutted is useless.

Some hon. members: The Senate.

Some hon. members: Oh, oh!

Mr. Speaker: Surely on an issue such as this, hon. members should let questions be asked and answers given. The hon. member will repeat the last part of his question.

Mr. Rompkey: It is very simple, Mr. Speaker. When is the Government of Canada going to keep its commitment to the fishermen and plant workers of Atlantic Canada and offer something substantial and not simply the paltry $130 million that they have been offered so far?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, $130 million is $130 million more than was ever offered by the government when the hon. member was in the government.

In addition to the efforts being made by National Sea, the government of Newfoundland and ourselves to keep plants operating, as well as the offer made by National Sea in connection with the St. John's and Canso plants, the government is providing a five-pronged program, including community development funding, and including the POWA program which applies to people over 55 who are laid off and cannot be retained or find other jobs. There is a special supplement for those who are over 50. There are other programs such as Community Futures and industrial adjustment.

That is what has been offered to help the 250 who might be left out of work as a result of the unfortunate experience at National Sea at St. John's. That is what has been provided. That is a serious effort to help these people. The company is ready to operate to take care of at least 300 more through this proposal, and I do not think that it is a proposal that should be hurriedly thrown away. What is the alternative? If the company does not have fish to process, what can it do?

* * *

REGIONAL DEVELOPMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Deputy Prime Minister. The people of Atlantic Canada in the fishery industry are looking to this government for help. The Minister for International Trade says there are existing programs out there which were out there before the fishery crisis came.

Even the conventional programs are being reduced because the subagreements under ACOA have been drastically cut back. In Nova Scotia alone, the subagreement that was $7 million a year has been reduced to $1.2 million a year, a reduction of 83 per cent.

When is the government going to at least bring those subagreements back to historical levels, and when are the people of Atlantic Canada going to get some answers?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. member must be trying to become the prime joker in the opposition. There has never been such a level of funding for regional development in Atlantic Canada as the present fiscal year, over $500 million. When the hon. gentleman's government was in office the maximum they got to was $185 million, which is one heck of a lot less than $500 million. If the hon. gentleman knows how to subtract one from the other, it is $315 million less when the hon. gentleman's government was in office, so stop pitying us.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I cannot believe that the Minister for International Trade would actually come forward with such absolute balderdash and absolute nonsense.

This government knew last February that the fishery stocks in Atlantic Canada were in serious decline and only a fraction of what they previously estimated them to be. Yet the Minister of Finance in his last budget cut drastically the ACOA financing. How can the people of Atlantic Canada rely on this government? Will the Minister of Finance today stand up and say that he is going to replace that financing and help Atlantic Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, facts are facts. From 1979–80 to 1983–84, regional development assistance in Atlantic Canada averaged $185 million a year. Then in the years from 1984–85 to 1988–89, the average was $282 million a year. Now we are in a five-year period where the average will be $425 million a year.

As a matter of fact, tomorrow in St. John's, Newfoundland there will be another announcement showing continuing spending under development agreements in Atlantic Canada. What is wrong with the hon. gentleman, can he not appreciate a good program and spending when he sees it?

* * *

RESEARCH AND DEVELOPMENT

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, there is outrage today throughout the scientific community. The scientists at NRC are demoralized as a result of the hatchet job being done at NRC. Scientists, such as David Wiles at chemistry are being muzzled.

I would like to direct a question to whomever is speaking on behalf of the Minister of Science and Technology. Will she confirm that it is the intention of the government to announce the break-up of the chemistry division, of the physics division, and will she tell us what else they intend to do to cut back on expenditures

at NRC as they are going to cut back on science generally?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): In response to the question of my colleague from Windsor—St. Clair, Mr. Speaker, I want to assure him that there was no new cut-back at the National Research Council. The article in today's *Citizen* is obviously an expression of concerns on the part of various NRC researchers.

Mr. Speaker, the National Research Council is busy drafting its long-term plan. This document has yet to be submitted to the government and no decision has been made.

I believe the plan will be sent to the minister in late spring, so that is what we are waiting for, Mr. Speaker.

[*English*]

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my supplementary question is directed to the Minister of Finance. I ask him to confirm that he recently met with the Prime Minister, with the National Advisory Board on Science and Technology, swore the members of that committee to secrecy under the Official Secrets Act, and informed them of the future cut-backs in science expenditures by government. I ask the minister to tell us to what extent such expenditures will be cut and in what percentages?

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. friend is really groping with that question. There was no swearing to secrecy of the members of the NABST to tell them what might or might not be in the budget. There was no discussion of what might or might not be in the budget at that meeting with the National Advisory Board on Science and Technology.

Those were the meetings that the Prime Minister chaired a week or so ago. They were very productive meetings, talking about where we were going to proceed as a country on the development of a greater level of science and technology; how we were going to improve the educational levels of our scientists in this country; how we were going to improve the co-ordination of science—

Mr. Speaker: The hon. member for Beaver River.

* * *

OFFICIAL LANGUAGES

Miss Deborah Grey (Beaver River): Mr. Speaker, I would like to direct the Houses's attention to the question of official bilingualism.

The Prime Minister has condemned recent declarations of official unilingualism in certain Ontario municipalities. I do not question the Prime Minister and the government support for official bilingualism.

Therefore, my question to the Deputy Prime Minister is this: Will the Prime Minister and the government also be urging the government of the Prime Minister's own province to declare Quebec an officially bilingual society with full equality of official status to both French and English?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, the House will know the interest of the Official Opposition and the government in debating this important issue in this House. In fact, we have put on the Order Paper a motion that this House reaffirm its commitment to support, protect and promote linguistic duality in Canada as reflected by this House in the Constitutional Amendment, 1987 and the Official Languages Act, 1988. That is the official policy of this government.

Miss Deborah Grey (Beaver River): Unfortunately, Mr. Speaker, we are seeing it inside Quebec and outside Quebec, in fact in all of Canada. Anyone who claims to support the policy of official bilingualism must face the fact that many Canadians, whether we in this House like it or not, see official bilingualism as heavy-handed and exerting a double standard, and of course there are many examples of this, including the actions of a committee in this House last June.

I would be interested to know, and many Canadians would as well, why the selective outrage over official uniligualism?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): There is no selective outrage on behalf of this government or on the part of this government.

Mr. Speaker, this is a very serious issue which all members of this House treat seriously and about which all members of this House in one way or another are on the record. I think it is about time my hon. friend got on the record.

Some hon. members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to ask the government the usual Thursday business question. What does the government intend to bring forth this Friday, and Monday and Tuesday next?

Some hon. members: Hear, hear!

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to take this opportunity to officially welcome my hon. friend to his duties as opposition House leader. We have all worked with him before. We recognize the challenge and his ability.

I would like to advise the House that tomorrow we will deal with Bills C-5, C-25, C-44 and, if there is time, Bill C-45. I realize this may sound like a full program, but I believe there have been discussions among the parties as to exactly what can be completed.

On Monday morning we will deal with Bill C-26, the grains and flour subsidies. Possibly in the afternoon we would take another look at Bill C-52, the income tax bill regarding pensions.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I would like to raise a point of order with my hon. friend the government House leader. He has given us an idea of the business for tomorrow and Monday, at least the government's intention. We all recognize the importance of interest rates. My hon. friend would know that the hon. member for Yorkton—Melville moved a motion of concurrence in the finance committee report that was studying high interest rates and had some very useful recommendations.

I wonder if we could have at least a couple of hours of serious debate on interest rate policy. That could be reflected by moving concurrence in the finance committee report next week.

Mr. Lewis: Mr. Speaker, we have been trying to allocate as many opposition days as possible. It is quite possible that there will be one allocated next week, at which time my hon. friend will have the opportunity to debate that issue.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—GOODS AND SERVICES TAX

The House resumed consideration of the motion of Mr. Young (Gloucester):

> That this House call upon the government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government and that this be clearly visible to the taxpayers and designed in a manner that does not merely, under the guise of reform, constitute another increase in the overall burden of taxation.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the hon. member for Esquimalt—Juan de Fuca had the floor.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I just want to carry on with the thrust of my discussion about the official opposition's motion on the goods and services tax.

An hon. member: A loonie tax.

Mr. Barrett: Exactly, on the loonie government, relative to the coin.

Before we were interrupted by a break the House took to reflect on my comments—

Mr. Gauthier: I went to have lunch.

Mr. Barrett: What I had to say this morning is best summed up by the member for Burlington's tie. The member for Burlington wears a tie today that expresses for all of us in the New Democratic Party exactly what we think of the goods and services tax. I challenge the member for Burlington to let his colleagues know what is on his tie. Never mind what is on his mind, just his tie. It

expresses completely how we feel about the goods and services tax.

In spite of all of their protests on the goods and services tax, when the Official Opposition was asked this morning if the Liberal party was given the confidence of the people of Canada to form a government after the next election would they remove the goods and services tax, the answer was, no.

Some hon. members: Shame.

Mr. Barrett: Not every Canadian heard this. I know there is great interest in this land because I am speaking this afternoon. I know that 90 per cent of the nation is glued to their television tubes this afternoon to hear what I have to say. For the other 10 per cent, I want to repeat that the Liberal party's policy on the GST is straight hypocrisy. In this Chamber, of all places to have a political party be hypocritical. It is unprecedented.

An hon. member: You are new.

Mr. Barrett: I am new. But that is what I thought. Then I discovered how the game is played in this House. When there is a serious question to the government by the Official Opposition on this tax which protects the rich, the government's immediate response is: "You created the mess when you were in government". Then the official opposition has its chance to respond: "No, we did not. You made it worse". This game goes on. Those two parties have learned a great formula that my former leader in this House, T. C. Douglas, used to talk about. They learn how to take money from the rich and votes from the poor, with a promise to protect them from each other.

As far as the Conservative party is concerned, they have their own philosophy. They believe in the truth, until they find out what it is.

I find it interesting that this government denies it is issuing propaganda. I want to make you aware of a little incident that happened in what is considered as the territories, as far as most of this government is concerned. It is known as the province of British Columbia.

An hon. member: I remember it well.

Mr. Barrett: You remember it well, my friend. It is not often thought of by this government. Alberta has been abandoned. But, that is another story.

• (1510)

Alberta's Conservative members of Parliament, except for the Speaker of the day, are going down the tube. We have a requiem political high mass for the end of the Alberta MPs from the Conservative party. Those no-names, those no-records, those people we never got a chance to meet are going to go so fast after the next federal election that we will not even have a chance to socialize with them.

An hon. member: Where are they now?

Mr. Barrett: "Where are they now?" is a good question. I will tell you—

Mr. Duhamel: Time!

Mr. Barrett: Not yet, not yet. They have another two and a half years, then their time is up. Let me read about what has happened in my province. An article in the Victoria *Times Colonist* relative to this debate was headlined: "Ottawa sent GST propaganda, but she has to pick up the tax form". I am going to send a copy of this article to the Minister of Finance from downtown Bay Street.

The minister stands up and folds his hand and his thumb—it is a very expensive gesture by a lawyer. If he holds his hand up this way, it is $500 bucks an hour; if he extends it, it is $750. He is a thousand-bucks-an-hour lawyer.

The minister tells us how the government sends out this information to assist the taxpayers in understanding what is going on. The bill has not passed the House yet. The government invoked closure. But, this is what happened:

> A four-page pamphlet of Goods and Services Tax information and questions is no substitute for a tax return form—especially when the federal government tells you it is trying to save you money, says an irate Sooke resident.
>
> Pauline Atterbury is hopping mad that Revenue Canada sent her the GST information but, in the same package, told her she will have to pick up her tax-return form from the nearest post office.

Fourteen million bucks worth. I quote further from the article:

> "I have to make a six-mile round trip to get my form but they say this is part of their ongoing effort to reduce costs," Atterbury said.
>
> "They are spending our money to send propaganda for a tax no one wants and then I have to spend gas money to go to get my tax return—thanks a lot fellas," she said.

No wonder she is hopping mad. No wonder there is cynicism out there. No wonder there is anger.

The Minister of Finance said he would go anywhere in Canada and debate with anyone this question of the GST. I am going to make a courageous challenge that I want you to listen to very carefully. I am prepared to go into Calgary, Alberta, where we have a history of famous elected socialists, since the last provincial election, and challenge the Minister of Finance to stand up with me in any hall that I want to rent or that he will attend. Let's have a public debate in Calgary between the Minister of Finance and myself. He can speak on behalf of the GST and I will attack it. We will invite the Alberta MPs to sit in the front row and witness it.

I do not want to shock young children or senior citizens of this country, but he is not going to take up the challenge that he himself suggested. He was not really serious when he said he was prepared to discuss the GST anywhere in Canada with anybody. He even voted for closure.

As we go to committee, I want the Canadian public to know that the committee is going to stay in downtown Ottawa. The members of the committee are going to eat breakfast here, lunch here and supper here, pay their tips for these meals before the GST comes in and they are going to have closure in the committee because they will not allow Canadians, right across this country, to see them. Not only is the minister frightened to take up the suggestion of being heard across the country, but the committee will refuse to move out of this town.

I predict that not only will the Liberals continue their flim-flam and support this bill behind the curtains and wait to be in government when they will keep it, at the same time the committee will refuse to hear witnesses from across Canada. We can see closure here in this House against the members of Parliament. But the worst step will be closure to the people of Canada who will not see the committee leave this town. I say shame, Mr. Speaker. Shame on the Minister of Finance. Shame on the committee. Shame on those Tories who will not be back. And shame on all of us that we allow this kind of closure to be rammed down our throat and think that the taxpayers do not know what is going on. There will be a taxpayers' revolt. I hope you survive. I know a lot of those guys there will not. Say goodbye now because we will not be seeing them after the next election.

Mrs. Marleau: Mr. Speaker, I have been sitting here in the House. I listened to my friend on the left and to all of the wonderful words that he spreads; the verbiage, the grandstanding and all of the fear about the Liberal party. He should remember though that there is another two and a half years to go. I remind him of that.

This is an opposition day and we have a motion put forward by a member of the Liberal party. I am going to read it for him and ask him a question.

The motion reads:

> That this House call upon the government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government and that this be clearly visible to the taxpayers and designed in a manner that does not merely, under the guise of reform, constitute another increase in the overall burden of taxation.

Does the hon. member support this motion or not?

Mr. Barrett: Mr. Speaker, I support the motion. Unknown to a large number of that group over there, I am over 21. I have seen the Liberal party in action before. This kind of motion, this kind of promise, this kind of commitment goes under the category of b.s. The Liberals have about as much support for this as they have for the person who wrote it. They probably wrote it from a 'help wanted' or some petition.

You have no more commitment to this than the Liberal member who answered my question. I asked: as a political party, as the leadership candidates, as members of this House, will you give a solemn pledge that should you be returned to form a government that the first act you will do is immediately withdraw the goods and services tax? They will not.

My friends in the Conservative party have decided on a matter of principle to commit suicide. It is their right. They will not back off this. They intend to ram this through because once giving their word to the corporate elite of this country that they are going to protect them by further taxing the middle-class and the working poor of this country, they are going to deliver.

The greatest fraud in this debate is the Liberal party. They are clucking, chuckling and laughing behind the curtains every day. They know very well. I ask them in the House to confess their sins. I will listen but none have stood. Not one of the leadership candidates and no

one here in this House has said: "On my soul, should I be returned to office, we in the Liberal party will do away with the tax." They will not. Furthermore, the Liberals will keep the tax.

I can hear the speeches now as they switch roles in the House. They will say: "Oh, we've just been elected. We've discovered the mess we have inherited from the Tories. Oh, it is worse than we thought, Mr. Speaker, and as a consequence we have to keep the tax and we are forced to put it up to 10 per cent". I can see the speech now from their minister of finance. Pick any one you want. It does not matter. It is a plastic speech from the Liberal party. They will stand up and they will say: "Oh, my goodness. The Tories have ruined this country and we have to increase the tax".

There it is. I conclude my remarks by saying there is no difference in those parties. One is in, the other is out, and they both have the same purpose: serve the rich.

• (1520)

Mr. Duhamel: Mr. Speaker, I am tempted to ask the hon. member why he chooses to be so unfair and insensitive and make so many erroneous statements about my party. Some of the comments bordered on the malicious and perhaps even the vindictive. I am delighted, however, that he will be supporting this motion. I will ask him another serious question.

He knows that most Canadians believe that the NDP does not have a credible economic policy. Does this lack of credibility in the economic area limit the effectiveness of his own and his party's attack on economic matters in Canada, including the goods and services tax?

Mr. Barrett: I thank the Liberal member for finding the question that I wrote out for one of my colleagues. I want to thank him for doing the job for me.

Not only do we have a plan but we have been responsible in laying it out word for word, item by item, idea by idea. Whether you agree with my ideas or not, the point is that we put them in writing, we put them down as serious proposals. The Liberal party has not done that. These guys are write-offs, they are gone. Goodbye, nice knowing you.

Those members are prepared to ride down the middle with no commitment to say where they stand. The first response to the proposals made by my colleagues who have done a great deal of serious work on this was to do a great deal of handwringing. The first response was that it is socialism. I remind them, was it not true that it was this group who created socialized medicine? If this government and that opposition is against socialism I want everyone of them to stand up in this House today and rip up their medicare card and stop sucking off the taxes of the poor and the middle class while benefiting from a socialist program. I hope this does not go out on television to the Canadian people and they get exposed to the fact that these members live off socialist programs while they are attacking our ideas all the time.

I do not wish to be partisan but the question has forced to me to respond in a partisan manner. Every single idea that this party has expressed in social policy and economic policy that now benefits this country, from UIC to socialized medicine, has come from this party over in this corner.

Mr. Crosbie: Will the hon. gentleman permit a question?

Mr. Barrett: Permit a question? My friend, I am always willing to take a question from you, but not on my time. I conclude by saying to members that I love you as individuals. I do not like your party and do not like its history. I love you as individuals. It is unrequited love. You do not like me in return. I am broken-hearted about that temporarily.

It is the same old game with the same old two parties. They represent a special interest in this country and there will be no change one way or the other. The only party that is committed in terms of serving the average person in this country is the New Democratic Party. I say that in a non-partisan manner.

Mr. Crosbie: Mr. Speaker, my question to the hon. gentleman is this: Is he feeling lonely because there are only, as far as I know, two socialist parties left in the world today. Two and one-half: One-half of the official opposition is socialist in its tendencies; the NDP here in Canada and Mr. Mugabe in Zimbabwe. These are the only two and a half socialist parties left today.

They have disappeared in eastern Europe. We had a representative from Hungary in the gallery earlier today. They are all now going to be market driven. They are embracing the market. When is the hon. gentleman and those who contested him in the NDP leadership going to

get up to date with the eastern European governments which led us in socialism for 40 or 50 years? They are now running away from it as though they had the trots. They no longer have Trotsky, they've got the trots in their haste to get away from socialism. Why is he clinging to this outmoded, decrepit philosophy?

Mr. Barrett: Mr. Speaker, first of all I would like to respond to my good friend who is a graduate of the London School of Economics. He knows very well that that school of economics has had an influence on the governments that are now in place in New Zealand, Australia, Denmark, France, and in half of the industrialized countries of this world where social democrats are in power.

An hon. member: And the Yukon.

Mr. Barrett: And the Yukon. It was the democratic socialists who were first shot by the communists. Let us get that straight. It is the social democrats, since the turn of the century in the industrialized nations of this world, who have stood up for human rights, for economic pluralism and for social justice on the basis of an individual having a right and an equal chance in a society that plays no favourites. We have suffered from the extreme left because of that and the extreme right, but the world is turning toward the kind of goals my party has stood for since the very inception of the Christian socialists who are part of the foundation of this party.

I am proud of the heritage of this party. I do not mind those questions and attacks. The results speak for it. This world is a better place because of democratic socialism. Eastern Europe is now rediscovering that fact since the death of Shcharansky. The west, particularly the United States, will rue the day that they too have not had an influence of social democrats to humanize their corporate society.

Just reflect on the violence in the urban centres of the United States and its consequences and causes. Just reflect on the isolation and the destruction of the human family in a corporate empire that does not even have an iota of socialized medicine. Thank you for my chance to give a brief lecture to my friend who has long forgotten what he learned in the London School of Economics.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The hon. member for Outremont.

Mr. Riis: Mr. Speaker, I rise on a point of order. I do not want to interrupt my hon. colleague in his debate, but having now completed the first round of speakers, it has been a tradition on opposition days that if the parties wish, they take their 20-minute periods for debate and 10 minutes for questions and comments and split it up into a 10-minute debate with a five-minute question and comment period, if they so wish.

I would like to have the unanimous consent of the House to allow us to proceed that way today as well.

Mr. Boudria: Mr. Speaker, perhaps in giving our consent to what has been offered by the hon. member for Kamloops, I could make the following suggestion on behalf of our caucus. We wish to notify the Chair now that for the remainder of the afternoon all the speakers from the Liberal party will be utilizing the 10-minute format plus an immediate five-minute question and answer period, if the other parties are willing to provide unanimous consent for that so that we do not have to ask it every time one of our speakers rises.

In other words, we will have one 10-minute speaker followed by a five-minute question and answer period, followed immediately by another 10-minute speaker and another five-minute question and answer period for the rest of the afternoon as it pertains to the Liberal party.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered. The hon. member for Outremont.

[*Translation*]

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I am pleased to take part in this debate on the Official Opposition's motion. I am doubly pleased because this motion gives us another opportunity to praise and present the advantages of the goods and services tax. The GST is a considerable improvement over the pres-

ent federal sales tax, for three reasons. It will encourage economic growth and job creation, while putting our businesses on an equal footing with their foreign competitors, both on the domestic and on the export market.

Thanks to the GST tax credit, the new system will distribute the tax burden more fairly than ever before in Canada. Moreover, by providing a more reliable source of revenue and by stimulating economic activity, the GST will contribute to the national deficit reduction effort.

• (1530)

Mr. Speaker, the GST is therefore a fundamental, and also an essential, change. Many studies have shown that the present manufacturers' sales tax seriously affects our firms' ability to compete. It thus hurts economic growth and job creation in Canada. The present tax, as you know, is also a brake on investment.

The GST will therefore stimulate investment by eliminating the federal sales tax on goods and services which for many years have been used to produce other goods and services. We will eliminate the tax on production and as a result, investment, capital stock and the economy's productive capacity will grow.

Mr. Speaker, economic activity and production in all regions of Canada will benefit from the GST. The Atlantic provinces and Western Canada stand to gain the most because a good part of their economy is made up of capital-intensive or exporting industries. These industries will be the main beneficiaries of the GST refund for business inputs. Nevertheless, Ontario and Quebec will of course also obtain economic benefits—and rightly so—amounting to billions of dollars in new activity and thousands of new jobs.

The motion before us, Mr. Speaker, asks that we abandon our proposed GST. Why, Mr. Speaker, abandon a reform that will give the Canadian economy and all Canadians so much? Why abandon the reform of an obsolete, destructive and outdated tax system? After a certain number of years, models and techniques may become obsolete, and this tax is definitely obsolete. We must develop a new approach that, as I said earlier, will thoroughly change the situation and provide for more equitable treatment for all Canadians.

One of the reasons why Canadians gave us a majority in two consecutive elections is because the Progressive Conservative Party does not abandon ship. Mr. Speaker, we do not intend to abandon senior citizens, as they say we would, or low-income families that will benefit from refundable tax credits. We will not abandon our entrepreneurs, our manufacturers and workers who every day have to deal with the obstacles created by the present sales tax, which as I said before, is definitely obsolete. A responsible government does not abandon ship at a critical moment in its country's history. A responsible government like ours keeps going ahead and perseveres despite the obstacles.

Mr. Speaker, the motion refers to fairer tax reform. That is exactly what we are suggesting with the GST. You must not forget that the GST is part of a comprehensive reform of the tax system. Our government took the initiative for that tax reform.

During the first stage, the Progressive Conservative Party converted personal exemptions and a large number of deductions into tax credits, to make the system more equitable. It also reduced and eliminated altogether a large number of special tax concessions.

The government also abolished or reduced many corporate tax concessions, and we have expanded their tax space so that profitable companies now pay more income tax.

With the GST, the overall tax burden will be more progressive, and low-income Canadians will be protected. The tax credit will help to direct assistance to those who need it most. As a result, we have a goods and services tax that improves the overall fairness of the tax system.

The GST credit will be paid to about 8.7 million families and individuals. The first cheque will be mailed in December 1990, before the GST comes into force on January 1, 1991. The tax credit will be paid in advance, four times a year.

The basic credit will be $190 for an adult and $100 per child. Single parents will be entitled to an adult credit of $190 for one dependant child. Furthermore, adults living alone, including single parents, will be entitled to a supplementary credit of up to $100.

For instance, a single parent with two children and a net income of $20,000 will be entitled to an adult credit of $190, a supplementary adult credit of $190, a child credit of $100 and a supplementary credit of $100. In other words, this single parent will be entitled to a total of $580 in GST credits.

The credit will start decreasing at about $24,800 in 1991. Beyond that point, it will level off gradually, and a family of two adults and two children will be entitled to a credit if their net income is less than $36,400.

Therefore the credits will go to those who need them the most.

More affluent Canadians will pay their fair share of taxes.

Mr. Milliken: Nonsense!

Mr. Hogue: They cannot avoid the GST. Since they consume more, they will pay more. To help reduce the GST rate, the present 3 per cent surtax applicable to high-income Canadians will be raised to 5 per cent effective January 1, 1991 and its threshold will be lowered from $15,000 to $12,500 in basic federal tax.

I see, Mr. Speaker, that my time is up and I am wrapping up. The GST is fair and meets the other criteria outlined in the motion now before the House. It is fair and consistent with the nature of our society.

Mr. Speaker, I am proud and I thank you for the time you gave me.

Mr. Milliken: Mr. Speaker, I listened to the speech made by my friend, the Hon. Member for Outremont (Mr. Hogue), and I want to ask a question and make a short comment. However, the book I am referring to is in English, so I hope he will excuse me if I read something in that language.

• (1540)

[*English*]

The Canadian Federation of Independent Business recently submitted a pre-budget brief to the Minister of Finance. The hon. member who spoke in such laudatory terms of this wonderful goods and services tax that his minister is putting before the House will want to hear the words of the federation. Their brief states: "At a time of supposed government restraint the addition of such an enormous bureaucracy"—and they are referring to the 4,000 tax police—"to duplicate effectively existing provincial retail sales tax bureaucracies defies belief."

Another quotation that I found most interesting and that I know will be of great interest to the hon. member for Outremont is found on page 4 of the brief. It says:

> To date, the GST process has been driven with undue haste to the detriment of all Canadians. In the province of Quebec, for example, where the provincial government is openly discussing the revamping the sales tax system, the federal government has not held hearings. Why has Quebec been ignored in this debate? Leaving Quebec out of the consultation process is especially reprehensible when considering that the small business community in that province has a structural make-up which is unique in this country. There are a greater number of small retail businesses in Quebec than in any other part of Canada. The GST will therefore have an even greater negative impact on small firms and consumers in Quebec.

Mr. Blenkarn: Nonsense.

Mr. Milliken: The hon member for Mississauga South is getting a little exercised. He is the chairman of the committee that should be holding these hearings. I suggest to him that when his committee meets to discuss where the hearings will be held on the bill which has now been referred to committee, he get moving and have some hearings across—

The Acting Speaker (Mr. Paproski): Order. I would hope that the hon. member would direct his question to the hon. member for Outremont.

Mr. Milliken: I was about to do that. I would like to ask the hon. member for Outremont how it is, with statements like this from a respectable organization such as the Canadian Federation of Small Business, an organization I may say that is not a particular friend of the Liberal Party, or at least has not been until recently, that he would ignore these statements and make a speech that supports this dreadful tax the government has imposed instead of condemning the tax and voting against it at every opportunity.

[*Translation*]

Mr. Hogue: Mr. Speaker, the hon. member for Kingston and the Islands (Mr. Milliken) will, I am sure, be agreeable to my answering in French.

We sit on certain committees, and we manage to move the ship of state in the right direction. The hon. member had two questions: One about the bureaucracy, and the second one, I believe, about the apparent lack of consultation in Quebec.

It is not my place to answer on behalf of the government. The question was put to me, and I will have to respond accordingly and give my view on the matter.

Mr. Speaker, I believe this tax comes at the right time, and it does because the situation demands it. As the hon.

member is aware and with him other members of this House who certainly share my point of view—

Mr. Boudria: No, we do not share your point of view.

Mr. Hogue: —things happen when they are supposed to happen.

If we put on too much pressure, there is a negative impact on the socio-economic situation, things do not run as smoothly as they should and society does not benefit at all.

In the past few days, we have spent hours discussing the merits, and also the weaknesses which I do not feel are apparent, of this new way of letting Canadian society develop, in other words, of collecting taxes. In 1990, our society cannot hope to function with instruments and techniques that have long become obsolete.

A tax is not necessarily perfect when it is implemented, and I am sure everyone accepts that. The same applies to just about everything in life. You can draw a car model on your draft board but people will want changes.

Clearly, this tax will undergo minor adjustments, and thanks to the wisdom and common sense of this party and the Minister of Finance.

[*English*]

Mr. Speaker: The time for questions and comments has expired. The hon. member for Cariboo—Chilcotin has the floor for 10 minutes, plus 5 minutes of questions and comments.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I take pleasure in addressing the motion before us. It is a very long motion, but it tries to address a very interesting question.

The Opposition is seeking comprehensive reform of the tax system. Of course that in itself is good. They want a fairer, simpler and an integrated system. They are saying they want a fair and effective tax system.

I do not know where the people who drafted this motion have been for the last few days, but that is in fact what we have been debating. The GST is a fair, reformed tax system that has been introduced because this country needs a reformed and fairer system.

No matter how critical Canadians are of many respects of this country, maybe of the politicians or some of the things that are going on, I have yet to find a true Canadian who is not totally pleased with living in this country. There is not another country in the world where they would rather be.

I would like to build on that theme because the reward and the privilege of living in this country has a price. It is we the citizens of this country who must pay that price. There is no simple solution and there is no easy way out.

This reform of our tax system has been portrayed as a tax grab and a tax increase. It is neither of those. It is a very serious response to a very serious situation. Canada must measure up against some very tough international competition in the months, years and decades ahead, if we want to maintain our quality of life, if we want to meet the payments on our deficit, if we are going to leave our children a country as good as the country in which they were born.

A truly fair tax system will meet these challenges. A truly fair system will contribute to a strong economic policy. A truly fair tax system allows Canadian businesses to make the best possible use of their resources. Under these terms the goods and services tax measures up. It is a fair tax system.

It is this government that initiated tax reform. Stage one was eliminating many of the loopholes, the problems that we experienced in the old tax system so that we could have a better tax system which was more equitable to all. It is through that that the businesses are now paying more and high income wage earners are now paying more than they ever were before.

• (1550)

The second stage of that tax reform is the goods and services tax. Interestingly enough, instead of this system being a tax grab on low income earners, low income people will in fact benefit the most. They will pay less under this new system. On the other hand, the wealthier people, those who have been more fortunate in what they have, who tend to enjoy our services more, buy more goods and more expensive goods will of course be paying more and more because of the goods and services tax. It is a positive form of taxation.

Many seniors have been concerned for their welfare under the goods and services tax. I am happy to inform them that in over 75 per cent of the cases they are going to be doing better under the goods and services tax than

they did prior to the goods and services tax. They will not be paying tax on their groceries or their medical services. They will not be paying tax through any of their charities or non-profit organizations. They will not be paying tax on drugs, health care or most essential services. For them, of course it is a fairer system.

The social programs for the rest of us Canadians are dependent on an economic system that can support and pay for them. It is for those programs that we need a system such as the goods and services tax. It is a system that will create an economic push for our economy. Many economists have indicated that as much as $9 billion a year will be contributed to jobs and increased wealth for all Canadians. It is this tax that will support the social programs when you and I will need them the most, Mr. Speaker.

It is the engine of the economy, private business, to which we must look to see the end of our deficit and debt problems and the continuation of the way of life we all enjoy in Canada.

I do support the concepts that are in this motion, but I see them endowed in the goods and services tax.

Mr. Duhamel: Mr. Speaker, the hon. member will recognize that there have been 31 tax increases over the last five years and that the goods and services tax will be number 32. He recognizes as well that the debt has been doubled over the last five years. There have been massive lay-offs in this country, and I cite as an example 2,700-plus at VIA Rail. Just this morning my colleague announced that in his constituency of Winnipeg St. James a battery establishment was closing and another 275 people would lose their jobs.

The member will recall as well that it was his government that attempted to deindex pensions for seniors. Then it brought in the clawback which affects both seniors and families. He will recognize as well the massive reduction to health and education transfer payments to provinces, actually $24 billion over eight or nine fiscal years.

Are the effects of the GST not much worse because of all of these negative measures that have been undertaken by his government? Will the hon. member confirm this reality?

Mr. Worthy: Mr. Speaker, I am afraid I cannot confirm that as a reality. We listened to the hon. member for Esquimalt—Juan de Fuca in the last hour. I know that you, as well as I, Mr. Speaker, found his talk very interesting. I think it bears directly on the hon. member's question.

Although the social democrats, as he refers to them, have done a lot—and I think it is acknowledged by all in our society—to make us more aware of the social aspects of society to which we should pay more attention, never have they been renowned for their economic foresight or economic knowledge, especially the hon. member for Esquimalt—Juan de Fuca.

I happen to be over 21 as well, and well remember that hon. member's efforts at helping the economy of British Columbia. Very few people in British Columbia my age will ever forget the efforts.

Mr. Gardiner: Mr. Speaker, I rise on a point of order. I appreciate the member's comments. I wonder if he has any documentation or information that he can provide to us to compare with his friends in the Social Credit Party in British Columbia who are driving that province into the ground.

The Acting Speaker (Mr. Paproski): The hon. member for Cariboo—Chilcotin has the floor.

Mr. Worthy: Mr. Speaker, I acknowledged in my speech that most Canadians will recognize that we in Canada have never been better off than we are now, in spite of the fact that we are still burdened with a debt and a deficit legacy that we inherited. This government will address that.

The member mentioned that we have doubled the debt. I think he had better recall who created the debt. It is now the interest on that previous debt with which we are burdened.

We took over government with a $16 billion a year deficit. The government will now have a $9 billion surplus. That is a $25 billion a year turnaround. It is this government that has done that. It is this government that will continue to make that surplus increase and, God help us, I hope we will in fact be able finally to overcome the scourge that was left to us in 1984.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Saint Léonard, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjourn-

ment are as follows: the hon. member for Ottawa—Vanier—Official Languages Act, the hon. member for Comox—Alberni—Justice, and the hon. member for Prince Albert—Churchill River—Telecommunications.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I want to take part in this debate on the motion introduced by my colleague because, as it happens, he is giving us an opportunity to continue our attack against the GST, particularly since the government lowered the boom on us last night. Quite naturally, I want to speak on behalf of the residents of Saint-Léonard, more especially in the name of the 15,000 citizens who signed a petition against this tax. This is the first time in the history of Saint-Léonard that 15,000 people went to the trouble of signing a petition to express their opposition to such a regressive tax system that our ill-at-ease government chose to cut off debate on last night.

Mr. Speaker, allow me to shed more light on the facts and make it easier for people to understand just what the government is up to. We have had just a few days' debate on this issue in the House, five or six I believe, and since the Minister of Finance unveiled his plan in June 1987 the government has steadfastly maintained that the tax is necessary to make Canadian companies really competitive with the rest of the world.

As a matter of fact, Mr. Speaker, the Committee on Finance—I deplore the absence of the Minister of Finance, but I am sure his officials are all ears right now—heard a spokesman for the Canadian Manufacturers' Association. And sure enough, he referred to the percentage, for we know very well that manufactured products or finished goods are not taxable.

• (1600)

So in the case of the tax, the famous, the bad, the terrible federal sales tax which is—to use the very words of the Minister of Finance—a killer of jobs and which went up from 8 to 13.5 per cent in four years, Mr. Speaker, barely 1 to 2 per cent showed up in the price of exported goods. We have to take a much closer look at this small percentage because the tax does not apply when you buy some equipment or raw materials. Nor does it apply to the work done by the employees, so all this led us to the conclusion that it was only a matter of a small percentage. But of course when the company bought a limousine for the president it had to pay the tax. As you might expect, Mr. Speaker, limousines will no longer be taxable under the new system, but the small ordinary Canadian worker who needs a compact car to go to work will pay that tax.

[*English*]

I am sure, Mr. Speaker, you would understand what I am saying. I know that the Minister of Labour says no. One day I will have to ask him some questions about the pre-retirement pensions with which we have some problems in Montreal. I will try him then.

I know you have been in this House for many years, Mr. Speaker, and you understand very well what I am saying. Imagine this. The executive of a large corporation will be able to buy his own executive desk tax free. It will cost nothing. But the poor Canadian who needs a bed to sleep on or a table in the kitchen from which to eat has to pay the 7 per cent tax. Is that fair? I am sure you agree it is not fair.

I could continue on. When the worker buys a sandwich, a lunch or a coffee at the canteen he has to pay the 7 per cent tax. But the executive who has a luxury kitchen in his luxury executive office pays nothing and he has his food prepared there, caviare and so on. That is why this tax is so unfair.

[*Translation*]

Do you know what GST means, Mr. Speaker?

An hon. member: What does it mean?

Mr. Gagliano: Good simple taxation. Tax people solely, Mr. Speaker, because all corporations have just been exempted. Not one Canadian corporation will pay the goods and services tax. Our tax system has just been changed, Mr. Speaker, in an underhanded way. So far, we have considered corporations as a legal entity, as a physical person. So why do you and I and your constituents and mine have to pay 7 per cent and corporations not pay a cent of this goods and services tax?

The other reason the government is proposing this goods and services tax system is simple, Mr. Speaker. Again, they are changing the nature of our tax system. So far, we paid taxes on goods; now, for the first time, we will have a tax on all services throughout the country. That is very important, Mr. Speaker. How can we have only five or six days of debate when our tax system is being radically changed, Mr. Speaker? I see the Minister of Labour laughing, but I do not know if his constituents will laugh too. He and I could have a debate in east-end

Montreal on the goods and services tax and we would see who laughs last.

Mr. Speaker, it is very important. We are changing our tax system in Canada and the government does it like this: tax people solely and let the corporations off scot free. That is the reality, Mr. Speaker. Today, big corporations, on the pretext of being more competitive, can pay not a cent of tax and the Minister of Finance, who for the past five years has helped the rich get richer and the poor get poorer, is right in saying that there are not enough millionaires to tax in Canada. That is what he finds. He taxes everyone and comes up with a tax credit that he forgot to index. That is the reality.

Mr. Speaker, you were in this House as I was a few years ago when the Minister of Finance said that the tax system had to be reformed to make it simple, so that everyone could understand it. Yesterday and this afternoon, in question period, my colleague tried to make the minister understand that it will cost $14 million to explain this madness to Canadians.

It says here on page 8 of this GST brochure:

Sample cash journal pages

How a small business will account for this tax. Mr. Speaker, I am reading from this sample journal: "Date: March 2; Description: Antique bath & shower; $10,700.00 cash in. " Mr. Speaker, it is total confusion. Is this cash in an account receivable? The way the example is written there, it means that tax is collected, money is received and it is paid when the time comes. But if we look at what the legislation says about billing, even the Finance Minister does not know how a small business has to keep its books to understand it.

And later in this House, he had the courage to get up and tell us that there is an impact of the cash-flow change. On page 19, he gives us a ridiculous calculation showing a total benefit of $1,140. He did not at all consider the complexity of the accounting system needed for this crazy new system, which I call the nightmare of the century, because it will really be very difficult to find one's way through it.

Mr. Speaker, you are indicating that I do not have much time left. Of course, this debate is not over even if the government imposed closure last night. Of course, this morning we read the comments from the Chairman of the Finance Committee who wants to pass this quickly, in three or four weeks—that is enough. But, Mr. Speaker, given the complexity of this legislation, how can we pass it so quickly?

So we shall come back to it. We shall debate it. We shall continue to explain to Canadians that this tax, the GST, applies only to people. It is not the Canadian way of doing things. I am sure that in the end, Canadians will understand and not be fooled by this government. Elections are coming up fast, Mr. Speaker, and be assured that if the government continues to maintain this tax, it will be defeated.

[*English*]

Mr. James: Mr. Speaker, I have a question for my colleague. I am not going to run a long preamble because I see one of his own colleagues would like to ask a question.

This particular motion states in essence that the government should abandon the GST and bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated and taking into consideration all forms of taxation, and so on.

As I understand it, members of his party, including the hon. member for Gloucester, sat on the finance committee to review the GST and came back with a minority report which was a few pages long. It was not comprehensive. It seems to me there has been every opportunity for this member's party, the hon. member who proposed the motion and the member who just spoke, to develop a comprehensive reply or presentation as to what we should have. As I recall it his own party members who were on the finance committee last year were in agreement with the unanimous decision of the Standing Committee on Finance. They agreed that the FST was outdated and that a new tax regime should be instituted. When there is an opportunity to do so they don't do it. All they talk about now is doing it.

• (1610)

I think the member opposite may like to answer why they are saying one thing and doing another.

Mr. Gagliano: Mr. Speaker, first, I would like to say to my hon. colleague that if he wants us to form the government we are ready to go to the other side. We will write our report and show him how to reform this tax law. If you are ready, come to this side and we will show you. If you are ready, let us do it right away starting this afternoon.

The hon. member referred to the Parliament before this one. I had the privilege of serving on the finance committee as a substitute member. We looked at the first stage of the Conservative tax reform. That is basically where the problem lies.

The members of this government were committed to full tax reform. Because there was a pending election they gave out some candies in order to get re-elected. That was the first phase.

Then they introduced the second phase, which is the GST. It is terrible. The people will not forget that for years and years to come. They will reject it in the next election.

What did we say then, Mr. Speaker? We said that, yes, we are for tax reform, but not the way they are doing it.

If you want to quote the words of my ex-colleagues in this House from the last Parliament, read the records and you will see exactly what was said. We said: "Yes, we are for tax reform".

This motion before us today makes a commitment to real tax reform. If you want to change places, we will go over there right away, this afternoon, and show you how to do it.

[*Translation*]

Mr. Corbeil: Mr. Speaker, I simply wanted to inform the hon. member for Saint-Léonard (Mr. Gagliano) that when he was speaking, I was not laughing at what he was saying, because this is a very important subject, but I was laughing at his assumptions.

My question is this: How can he seriously explain to the people watching him on television, and I wish we could turn the cameras around so that we could see Canadians roaring at the inconsistencies in the explanations given by the hon. member for Saint-Léonard—how can he seriously say the GST will apply to purchases made by certain people but will not apply to purchases made by other people?

Mr. Gagliano: Mr. Speaker, I will need some time to answer that one.

Mr. Boudria: Don't worry, take your time.

Mr. Gagliano: A company that has to pay taxes is licensed under this new tax system. Companies pay the tax on their purchases, and before, what was paid was deducted. So the result is zero. That is why they don't pay taxes.

The individual, however, cannot deduct the tax. He doesn't have a credit. That's what I meant. So I hope the minister will take the time to read the bill and will be able to provide all the necessary information.

[*English*]

Mr. Boudria: Mr. Speaker, I want to ask a question of my colleague. I know that he was a member of the finance committee in the last Parliament and that he is also an accountant by profession.

My question is with regard to the discriminatory policy that the government has adopted in the GST whereby services offered by independent adjusters will be taxable under the GST while similar services provided by the insurance industry will not.

Insurance adjusters in my own constituency—and I have a letter in my hand signed by the the branch manager, Mr. Les Sazant, of the Underwriters Adjustment Bureau of Hawkesbury, Ontario—have informed me that if the minister proceeds with the bill as proposed now that it could very well mean that this business will be in serious trouble. Incidentally, the finance committee recommended that it be given an exemption so that it would be treated in a way that is similar—

Mr. Soetens: Are you endorsing the finance committee's report?

Mr. Boudria: That is an excellent question that our colleague asks. The finance committee recommended that a few injustices be corrected. Notwithstanding the fact that I reject the bill, if it does go ahead it seems to me the very least that could be done is to correct some of those injustices that make my constituents lose their jobs.

It is for that reason I bring this to the attention of the House. I think it is a very serious matter. I want to ask my colleague what he thinks of that discriminatory policy which I have just described.

Mr. Gagliano: Mr. Speaker, I thank my colleague for the question. The GST is very complicated. That is why some people feel discriminated against and and others feel confused. You might find yourself in a situation where you are tax exempt but, because of the system, the product you sell might not be taxable so you do not have to charge the tax, but you will have to pay the tax on all other services or you do not get your credit. So people feel discriminated against.

There might be other cases where you do not charge the tax but you can get the credit. In other cases, you might not charge the tax nor pay the tax. It is so complicated. Yet this minister and this government was supposed to bring in a system which everybody would understand.

Remember, a muffin can be taxable or not taxable. A muffin is a muffin. But if you go to a store and say: "I want a muffin". Then you say: "Would you put it in the microwave to warm it up?" It then becomes taxable. That is why I do not see how small businesses, most of which are in the food and retail business, can cope with the nonsense that this system is proposing.

Mr. Riis: Mr. Speaker, I have listened with interest to my hon. friend. He gave the impression very clearly that he opposed this tax. Just to make the record perfectly clear, we in the New Democratic Party, no matter what the outcome of the next election, we oppose this tax. If we were to form the Government of Canada, we would oppose this tax. We would not proceed with this tax. We would reject the tax. We would undo the tax and go back to some decent tax reform.

As my hon. friend from Esquimalt—Juan-de-Fuca said, I respect the Conservatives because they like this idea of a tax that will assist the privileged. They make no bones about it. They bring it in and say: "This is what we are going to do". They are very up front about it. I have to respect that level of frankness.

As well the New Democrats are saying: "We oppose this tax completely in principle, totally, in every way, shape or form". I do not know how much clearer one could say that.

I am going to provide an opportunity for my hon. friend from the Liberal party to speak on behalf of the Liberal Party of Canada to try to give a simple yes or no or not much more elaboration beyond that to this question. Is the Liberal Party of Canada completely and totally opposed to this tax in principle?

Mr. Gagliano: Mr. Speaker, I thank my colleague because I see that already he sees us in government. I hope we will be very soon. If the hon. member convinces the Conservative government to call an election right away, we are ready. We have a plan. If an election is called right away, we will tell Canadians what we are going to do.

This government told Canadians that it would implement such a tax, and it did. We are going to oppose it, and we are opposed to it. When we get to the other side—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Resuming debate with the hon. member for Winnipeg North.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, the Conservative government is unable to properly manage the economy, witness the growing deficit. Thus it is trying to place its responsibility for fiscal ineptitude on to Canadians. One method of doing this is through the levying of the goods and services tax.

• (1620)

Before I proceed further, over the last few days we have seen procedural tactics by members on my left that, in the eyes of many Canadians, were totally meaningless because time was wasted. Early this morning we witnessed the government's unreasonable closure on second reading of this bill, which cut off the opportunity for we members of Parliament to debate. The Liberal party, the Official Opposition, is neither to the left nor to the right. We stand for debate and for the well-being of all Canadians.

The opposition motion reads:

> That this House call upon the Government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government and that this be clearly visible to the taxpayers and designed in a manner that does not

merely, under the guise of reform, constitute another increase in the overall burden of taxation.

This motion reflects the Liberal commitment to kill the GST, while at the same time recognizing the need for tax reform. We have identified the principles that should guide this tax reform. There ought to be federal-provincial co-operation and, when this is done, we will have, as always, the well-being of all Canadians at the core of this reform. The need for tax reform is in fact very timely, particularly in light of the proposed GST which has been given an 80 per cent disapproval rating by the public. This is an indication of Canadians' distrust of this government and, in a real sense, of the alienation of the governed from the government.

Do we need a reform? Almost half of our national income is transferred to the government by way of taxes. Taxation has increased over the last five years at a distressingly high rate.

I submit that Canadians, indeed, have a good deal of common sense. Thus we understand the purpose of taxes. We appreciate that we will pay taxes. In fact we accept that it is a necessity. But there are limits to acceptance.

When taxes are too much, when there is unequal sharing of the tax burden, when the tax system is complex and cannot be understood, and if there is misuse of the taxes collected, then Canadians rebel.

There are many forms of taxation: property or wealth, customs or excise, payroll, personal, corporate and sales taxes. But this afternoon I would focus on the need for tax reform in the context of the proposed GST. We would like to replace something that is awfully bad, that is, the manufacturers' sales tax. This tax is hidden, has increased rapidly and does not allow our domestic producers to compete effectively with foreigners.

First, let us examine the foundations, the principles that should govern tax reform. As I have indicated, we on this side of the House have identified two sound economic principles. One, there must be efficiency. We must not unduly interfere with the allocation of resources, both capital and labour.

Two, it ought to be simple. It must be understood by all. We should not need tax advisers who must be paid. In fact, the law itself should be enforceable with a minimum of litigation.

The second set of guiding principles would be that any tax system, or any taxation that we introduce as we reform the system, has to meet the accepted Canadian social values of fairness. That tax system would have taxpayers in similar circumstances pay similar amounts. Also, the ability to pay is taken into account so that it would allow a more equitable distribution of wealth and income.

The government seems to ignore the fact that there are other alternatives to the GST. The government has created a fiction by saying that it had no choice but to introduce the GST. The government has not even told us how many alternatives it has examined. Yet it has the resources of the Department of Finance to study many alternatives.

I do not have the opportunity to discuss a lot of them in depth. One that has been proposed is a single tax alternative which would be simple: lower taxes for most, share the tax load more fairly, eliminate loopholes and reduce administrative costs.

Let us continue to debate, but let us not insist on this GST.

There have been many other suggestions for reform, including the harmonization of the federal and provincial tax systems. This government has failed to do that.

Let me examine the GST itself. It will deal a devastating and crippling karate blow to our economy. It will be a fuel for recession and a fuel for inflation, both of which will result in a ruined economy.

When the goods and services tax is introduced, it will hit the pocketbooks of all Canadians. In fact, it has been estimated that it will be some fourfold. That will lead to a higher cost of living. Draining the power of consumers to buy will alter their spending pattern which will, of course, lead to a drop in the sales of manufacturers. As a consequence, there will be a steadily increasing cost of business. Operating costs will increase, workers will be laid off, the economy will slow down and a recession will happen.

When workers are hurt they have less buying power. They will demand higher wages, naturally and rightly so, to compensate for the ill effects, something which will trigger inflation. When the two are combined you will have a ruined economy.

The government's brochure states that this GST has been designed to reduce the deficit. Yet the government has claimed it will be revenue neutral. I cannot follow the logic. If it were revenue neutral, cancelling the GST should have no negative impact on the deficit. That, incidentally, is also the opinion of *The Financial Post*.

There will be many ill effects on the health programs of our country when some of the services of health care workers like psychologists are taxed. You can see the danger of these services not being accessible to Canadians. When the administrative costs of our health care institutions are increased, you can see the burden added to our health care system. When we realize that transfer payments have not kept up with inflation then you have double jeopardy.

The effect on education will be similarly adverse to administrative costs. We cannot attract good teachers to our faculties. When the equipment becomes obsolete, we cannot replace it quickly. We will then suffer in our ability to compete internationally, since our ability to do research and development will be hampered. Science in Canada may be relegated to kindergarten level.

Can we believe the government when it says that the tax it intends to impose will remain at 7 per cent?

• (1630)

Let me tell you the history of the GST. New Zealand introduced the tax at 10 per cent, and now it is 12.5 per cent. The government could argue that is not a large increase. In Austria, it came in at 8 per cent, and now it is 20 per cent. In Britain, it was introduced at 10 per cent, now it is 15 per cent. In Denmark, it was 10 per cent, now it is 22 per cent. In Ireland, it was 16 per cent, now it is 25 per cent. In the Netherlands, it was 12 per cent, now it is 20 per cent.

Can the government fool Canadians that it will be 7 per cent forever? I dare the government to tell the truth. If we do not defeat this tax, there is a possibility of a tax revolt, but I hope it does not happen.

I would like to quote from a financial columnist who wrote on February 6, 1990: "If we have a choice between two taxes, which raise identical sums of money, both of which are perceived to be bad, why should we hope for the tax which affects most people directly?" Is GST better for the government? The answer is yes. Is GST good for Canadians? Eighty per cent of Canadians say no.

In last night's debate, one member of the government side said: "We were sent here to Ottawa to be tough", as though it was a source of pride. My submission this afternoon is that we have been sent here by our constituents to be sensitive, caring, fair and honest. Let us achieve genuine tax reform, acceptable to the constituents of Winnipeg North and acceptable to all Canadians. When that happens, we will be truly Canadians.

Mr. Thompson: Mr. Speaker, I want to go back to a quotation that I have used in this House before. It is one by a John Baptiste Colbert, a 17th century statesman and finance minister during the time of Louis XIV. What he said at that time was: "The art of taxation consists of plucking the goose so as to obtain the most feathers with the least hissing."

I still go back to my perception of the goods and services tax. In response to the member for Winnipeg North, a great deal of this hissing is because they have never attempted to help the Canadian people understand this tax. They are using the same kind of rhetoric that they have used for years in relation to taxation.

Let me go back to the election of 1980, 10 years ago exactly to the day. We were in the midst of an election campaign because the Liberal party could not come to grips with reality. We were forced to go out and sell a 16–cent a gallon tax increase on gasoline. They fought against it, yet they knew at that particular time that it was good for the country. They chose to ignore it and they are doing the same thing with the GST.

What I want to ask the hon. member is this. The Liberal party is in the midst of a leadership campaign. Some of their candidates have taken positions on the GST and explained what they will do after they do win the leadership of the party. Regrettably, if they did ever form a government, some of them have told us exactly what they would do in relation to that tax; keep it, reject it, change it, whatever.

I am going to ask them this. I think the NDP is exactly right; the Liberals would not change it. They want to stand up and they want to holler but they will not change it. Is the hon. member going to take this into consideration in his support for some of these candidates who are

seeking the leadership, and ultimately, the prime ministership of this country?

Mr. Pagtakhan: The answer is simple, Mr. Speaker. I will recommend to our leadership that the GST be scrapped.

Mr. Gardiner: Mr. Speaker, I appreciate the comments by the member for Winnipeg North and I think the member for Esquimalt—Juan de Fuca summed it up very clearly when he said that we get mixed signals from the Liberal party as to exactly where they stand on the goods and services tax. I think the Liberal Party is shilly-shallying in trying to tell Canadians that they are against the tax. In reality, we all know—as all Canadians know who are watching this debate today—that the Liberals have no intention whatsoever of asking their leadership candidates to oppose the GST. I agree with the hon. member who spoke just a few moments ago, heaven forbid if the Liberal Party ever formed a government again in this country.

The only hope is the NDP, as the hon. member for Esquimalt—Juan de Fuca says. I would like to ask the member if he will join with us in rejecting completely Bill C-62, the goods and services tax. Will the Liberals make a commitment to the New Democrats in committee that they will stand and reject completely that bill, no tinkering, no fooling around, no technical amendment, just reject the bill completely?

Mr. Pagtakhan: Mr. Speaker, today he will be happy. You can join us and reject this GST. But Liberals are reasonable people. Three years down the road we do not know what the GST will have done to the Canadian public and we might devise a much better alternative than you predict, because you know that you cannot form the government.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in this motion the opposition calls upon the government to produce a tax that is clearly visible to taxpayers. That is precisely our intention in the goods and service tax. It is clear, it is straightforward and it is up front.

In fact, this is also how the government has conducted itself on this issue. We have gone to great lengths to inform the country about this measure and we will continue to do so in the period ahead. In the last few days, we heard a great hue and cry about our honest and open efforts to inform every business person in every region of this country about their rights and obligations under this proposed legislation.

Anybody who walked through the Confederation Building before we left for the Christmas recess could have seen the huge crates of *Householders*. On the front of them was printed in large black letters "Stop the GST". These were by the opposition members. In fact, I am amazed that they would have the nerve to stand in this House and try to stop us from putting out information on the GST, because what they are saying is "Let us, the opposition, put out bad information, in most cases, on the GST. But you, the government, can't put any information out. If you do, we are going to rise on questions of privilege in the House of Commons". That is the most two-faced, double-dealing effort I have ever seen and that is exactly how they have operated in the last little while.

If we cannot inform the public and businessmen, what are we supposed to do? Suddenly we appear in January, on New Year's Day, 1991 and say, "Surprise, what do you think? You have a new tax. Now you are going to take a year to figure it out". We are not doing it that way.

My colleague, the chairman of the finance committee has not hidden himself away. It would be a hard job to do anyway. There were public hearings across the country.

The Minister of Finance, the Prime Minister and others on this side of the House have spoken at many public meetings about this measure and will continue to do so. In fact, I have heard challenges from the other side about getting on a platform and debating the GST. I will go anywhere, any time, with anybody, to debate the GST. Because I know how it operates. I know how the present system operates. I know how bad it is. I know people who have been hurt by it and I will go anywhere and debate it.

• (1640)

In fact, few measures have attracted the attention that this legislation has. Unlike some opposition members, Canadians in every part of the country have contributed to make sure that the goods and service tax is straightforward, fair and as effective as possible. By their wilful obstruction and stalling tactics in this House, the opposition has thrown away an opportunity to make a meaningful contribution during this debate. They have turned their backs on the process, and in doing so they have turned their backs on the people they were elected to represent. They want to send out a bulletin that says, stop the GST but I am not going to tell you what it is all

about. That is the sort of phoney approach they take to it.

We came into this parliamentary session fully prepared to debate the opposition on the worth and substance of this legislation. They have proven unwilling or perhaps unable to do so. We know that the Liberal Party is distracted because of its struggle to find a new leader. The new leader of the NDP is distracted because she is struggling to find herself. She cannot find herself in that dark socialist closet. Unfortunately, Canadians may never know what a difference an effective, responsible opposition could have made to this legislation.

An hon. member: Keep your tie in.

Mr. Kempling: However, I always keep my tie inside my jacket especially when I am speaking and I keep my jacket buttoned up. I want to find a tie just like this for him. If I can get a red or orange one I will do that.

Mr. Gardiner: Mr. Speaker, I believe the rules of the House state that a member is not allowed to use an object for display. I am interested in what your ruling is on the member's time.

The Acting Speaker (Mr. Paproski): I do not think that is a point of order. I haven't seen his tie and I don't care to see it.

Mr. Kempling: However, Mr. Speaker, Canadians will indeed know that they are paying a goods and service tax.

Mr. Speaker: The hon. member for Essex–Windsor on a point of order.

Mr. Langdon: Mr. Speaker, I think I have quite a legitimate point of order. I believe that when a member refers to a printed document he or she is required to table that printed document in the House. I heard a reference to a tie, which I understand is a printed document, and it seems to be quite clear that the rules of the House require—

Mr. Speaker: It has to do with cabinet ministers but it does not have anything to do with private members.

Mr. Kempling: As I was saying, Canadians will know that they are paying a goods and service tax. We don't expect them to enjoy doing so but the GST will be visible and paid by consumers at the retail level. The part I cannot understand is that the opposition want this tax to remain invisible. They do not really understand what happens when the tax is invisible. I do not think any of them have been involved. I am not saying this in any derogatory sense. They have not been involved in the business side of structuring a price. What do you think happens when the federal sales tax is increased under the present regime? What do you think happens? There is a windfall to any merchant or any wholesaler who has tax-paid inventory in his warehouse. There is a windfall to him. He feels justified because he says, I have to go to the bank and borrow the money to pay the government the tax. He says I have to go to the bank to borrow the money to pay the federal sales tax to the government. Canadians in every region of the country who pay this hidden tax every day are going to be able to see the new tax up front. They pay about $18 billion in federal sales tax and many of them do not even know they have paid it. If members of the Liberal Party who are barracking over there had been here this morning they would have heard my friend, the member for Esquimalt—Juan de Fuca, challenge the Liberals as to whether or not they would cancel the GST if, unfortunately, they ever came to power. He nailed them right to the wall. They fumbled, mumbled, gasped, and choked and they did not have an answer. All they could say was that they would go back to the drawing board, as they have said for 40 years, 40 years of the same hidden tax with all the warts and problems it has.

I spoke on this yesterday. This morning I had a call at my office from someone who works in National Revenue in the federal sales tax division. He was very unhappy about some of the things I had said. He would not leave his name nor his phone number. I hope he is watching now, because a lot of those guys who were sales tax auditors when they left the government service became sales tax consultants. They went around to little businessmen in this country, the guys they were dunning for sales tax who should not have been dunned, and said that they could show them how to save all kinds of money because they are now sales tax consultants. I hope that guy is watching. Maybe he will call me and I will have a good long conversation with him.

Mr. Lee: Mr. Speaker, I could not help but respond to remarks of the member for Burlington on the GST. I have been reviewing some correspondence that I have received recently from constituents and I would have to acknowledge that the tax reform manifested by the GST proposal is destined to bring about what the economists call allocative efficiency, but it is really so marginal that most of us in the real world are not going to be able to understand it or pay much attention to it.

One constituent has written to ask me to consider the leasing of automobiles. He says we will be paying 7 per cent on the 13.5 per cent federal tax which has already been charged on the automobile unit, 7 per cent on the $100 air conditioning excise tax, which has already been paid, 7 per cent on the $25 provincial tire tax, 7 per cent on the $600 minimum gas guzzler tax, and 7 per cent on the 8 per cent provincial sales tax in Ontario. That is very, very confusing for a consumer. My comment is that the government is replacing a bad tax, an efficient tax, the MST, with an equally bad or worse tax that will impact not just on manufacturers but on every single consumer in Canadian society. That bad tax is now made 100 times worse because it impacts on 100 times more Canadians. That is what the taxpayers out there do not understand.

Mr. Kempling: Mr. Speaker, there is a pamphlet on leasing which I would encourage the member to send to his constituent. It all depends on when the vehicle was leased. If it was leased at a certain date there are different provisions from those which would apply if he has had it for a long while. At any rate, we have worked with the leasing companies very closely and I think we have a system now that they believe is fair to the people who are leasing vehicles. If a business is leasing the vehicle, any of the charges the business pays may be rebated. I do not think it is all that bad. I know there is a grey area with respect to the date the vehicle is leased; I would not deny that. But I would urge the member to see that pamphlet. We have some of them in our lounge. If he wants one, I will send it over. I suggest that he go through it carefully because it is not our intention to put any extra burden on anybody who is leasing a motor vehicle. I have leased hundreds of them myself over a period of time and I know the ins and outs of it. I would not be that concerned. But if you get that pamphlet, I think you will understand it.

• (1650)

Mr. Thompson: Mr. Speaker, I want to comment on the dialogue between the two members opposite. I think that is constructive. We just pointed out that some meaningful discussion and understanding can take place when the dialogue is on the level it has been on in the last two situations.

I want to point out to the Parliamentary Secretary that we collect the manufacturers' sales tax, I believe, from only 75,000 sources. In those 75,000 sources, there are something like 22,000 special exemptions and categories. I was wondering if the Parliamentary Secretary could answer that.

I am also interested to know whether he could point out why we are at a disadvantage in this country in relation to imported goods versus domestic goods, all things being equal. I was wondering if the Parliamentary Secretary could point out to us how discriminatory our present manufacturers' sales tax is.

Mr. Kempling: I will be as brief as I can. There are 75,000 people involved in paying the manufacturers' sales tax today. There are 22,000 different arrangements with them and there are six different rates, not four, as we have been told.

I will be specific on how it affects manufacturers. In my riding we have the Hoover Manufacturing Company. They made a little washer and dryer that my friend from Esquimalt—Juan de Fuca would buy for his family or a friend. They imported some component parts and they manufactured it here. When they put their price together, they had to include their overhead, sales cost, telephone costs, packaging costs, shipping costs and everything else. When they compared this with a Sanyo that was imported from Japan, there was a $95 difference at the retail level. This is because the Sanyo comes in and a price is set on it, FOB a certain point in Canada. When the consumer buys this washer and dryer he would see this $95 difference and say: "No way am I going to buy the Hoover product". So, what did Hoover do? They moved the production out of Canada into the United States so they could be on a level field with the Japanese. That is what has actually happened. It has happened with all kinds of products across this country. In the United States, there is a group of people called custom manufacturers who just manufacture for Canadian mass merchandisers. That is all they do. They do not sell in the United States, so they do not even have to abide by the

dumping legislation. This is something this goods and services tax will overcome.

The Acting Speaker (Mr. Paproski): I think I will have to carry on. There will be another opportunity. The hon. member for Fredericton—York—Sunbury has the floor.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, one of the things that really amazes me this afternoon is that the official opposition that sponsored this motion and scheduled this whole day of debate on a very significant program like the goods and services tax has hardly shown up for the game. There are no members present on their front benches.

The Acting Speaker (Mr. Paproski): The hon. member knows, because he was also a long time provincial member, that you do not mention who is and who is not in this Chamber.

Mr. Bird: I stand corrected on that point. I must say I am sorry that some of my hon. colleagues across the House are not here to more vigorously debate this motion this afternoon.

I would also like to say that this is the second occasion in two days that I have had the opportunity to speak on this goods and services tax program. It is one I have deliberately sought, because I sincerely believe in the importance and quality of the legislation which constitutes the goods and services program.

I believe it is the right kind of legislation, the right kind of tax reform for Canada. Because I come from a business background, I have some sense of feeling for what financial pressures are about. My experience tells me that over the past 25 years our country has been proceeding in directions that had it been a business it would have been virtually insolvent.

I have an appreciation for the type of financial responsibility which we have to demonstrate in the years ahead, the type which would enable us to pay our way, to live within our means, and not to spend years in search of the myth of prosperity which really results in hyperinflation and the economic chaos that goes with it.

I would like to commend the hon. members of the opposition, particularly my hon. friend from Tracadie who introduced this motion this morning, and say that as wordy as it is, and as stale as it is, at least it is different from the traditional comment that he, his leader and his party have been delivering over the past many weeks and I quote: "Let us take this tax back to the drawing-board."

I gather that the paragraph presented today in this motion is the Liberal Party's redesign and it is hardly a work of architectural excellence. In fact, it is a work that almost departs entirely from accuracy and the truth and substance of the goods and services program.

The pivotal call in this motion is that we abandon the goods and services tax program. The word "abandon" is the type of word that suggests loss, fear, and flight, and it has been the hallmark of a great deal of this debate with members standing and speaking about assumptions of doom and gloom and all of the things that this tax program may bring.

I think Canadians are tired of politicians who cannot bring themselves to support good government legislation simply because of partisan pressures. When they ask us to abandon this tax program they are asking us to forsake our responsibility to Canadians and to their economic future. They are asking us to ignore the deadly deficit which we have seen year after year for almost 25 years and the deepening debt which is now standing at $320 billion and growing.

This motion also contains another sort of moral insolvency in the sense that it blatantly betrays how little the opposition really cares for the millions of Canadians, those on low and modest incomes including many senior citizens and single parents who will be better off under the goods and services tax program.

It is a fact that has been consistently ignored. Families making less than $30,000 income will have a net improvement in their financial and economic circumstances as a result of this goods and services program. These are the people that the opposition would have us abandon. When they say abandon the tax they mean abandon a fairer tax system, one that shifts the burden from those who cannot pay to those of us who can, to abandon a tax system that will let Canadian made products compete on equal terms with imports. Keeping a 13.5 per cent extinct federal sales tax will penalize domestic production as it has for years gone by.

They ask us to abandon a tax system that will strengthen imports and diminish our export capability. The GST will ultimately provide an economic boost to this nation, estimated to be close to $9 billion. They ask us to abandon a tax system that will help business to invest in new technology and productive capability and to create new jobs. As I said yesterday, the credit alone to businesses at the end of this year on existing inventories will constitute a $2 billion cash flow improvement to business accounts in this country.

• (1700)

These calls for abandonment of this tax are callous and contemptuous messages. They are calls to abandon our responsibilities. They are calls that we will not heed. That is not the policy of this government.

This motion talks about the tax scheme being ill-conceived. What could be more ill-conceived than the stale expression: "back to the drawing-board". There are no alternatives or suggestions, but back to the drawing-board, and then a resolution that is as negative and as preposterous as this which has been presented to us today.

They ask us to abandon the goods and services tax program. They are asking us to ignore the challenges which Canada faces in a world market-place that is increasingly more competitive on a global basis. The message that royal commission after royal commission, study after study, expert after expert, has driven home to Canadians is that the current manufacturer's tax is extinct, it is a bad tax, and it must be replaced.

This is a progressive tax. The goods and services tax is not a regressive program at all, it is a progressive program. It is one that to any fair and reasonable mind would be seen as a very positive and constructive direction for Canada.

Canada exports one-third of our Gross National Product, representing millions of workers. For example, our pulp and paper exports are $20 billion out of a total production of $25 billion. This tax program will enhance that industry.

This government will not be abandoning its responsibilities. It is the opposition members who should be abandoning their concepts which date back to 1924, and they should be abandoning the fearmongering which has characterized their debate.

The most interesting aspect of this entire debate today is that the Liberal opposition, as devoid as it has been of alternatives and creative suggestions in this debate, has actually been ridiculed and laughed at by the socialists to its left. That, to me, is the real interesting highlight of this entire debate. Not only is the opposition across the way divided, but the NDP are ridiculing the Liberals.

Canadians are seeing the government supporting this goods and services tax program with confidence and conviction, based on the knowledge that we are doing the right thing for Canada and that the Canadians will be well served.

The goods and services tax is one that will meet Canada's needs into the 1990s and into the 21st century. These are goals we cannot abandon, and they are goals we will not betray.

The Acting Speaker (Mr. Paproski): Questions or comments. The hon. member for Okanagan—Shuswap.

Mr. MacWilliam: Mr. Speaker, we have heard time and time again in this assembly members on the government side saying that there have been no alternatives offered, that they have no alternative except to impose this massive, Draconian tax measure.

I want to point out very clearly to everyone in this House, as well as people right across Canada that time and time again my colleagues in the New Democratic Party have posed many alternatives. It is just that members across the floor have simply not listened to them.

What about the concept of a 20 per cent minimum corporate tax? What about the concept of lowering the interest rate and reducing the government debt as a result of increased productivity and lowering costs of borrowing? What about reclaiming the billions and billions of dollars in deferred taxes that have sifted through the government's hands because it has not claimed the money due and owing to it from those large profitable corporations, over 89,000 of which in 1986 paid no taxes whatsoever on $22 billion in combined profits? Why not go after some of that money? What about an assessment on corporate polluters with an environmental tax assessment? There are four alternatives right there, four good alternatives that this government, I submit, has simply refused to accept.

Mr. Bird: Mr. Speaker, the socialist representatives of the New Democratic Party have proposed tax measures that, thank goodness, they know they will never have the opportunity to implement. They know that they are unworkable. They know that the 20 per cent basic tax on all corporations will inhibit growth and initiative.

Mr. MacWilliam: They did it in the United States.

Mr. Bird: I give the New Democratic Party credit for their socialistic suggestions, Mr. Speaker, but they know that they will never have to implement them.

The Acting Speaker (Mr. Paproski): I think that everybody has caught their second wind since early this morning. Questions and comments are now terminated.

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, I rise to address a bill that deals with fundamental fairness and equity. The Conservative government's goods and services tax will hurt all Canadians, especially those on the lower end of the economic spectrum. It is clear that the GST must be withdrawn.

Mr. Bird: That is not true.

Mrs. Maheu: It certainly is true.

Mr. Blenkarn: That's not true.

Mrs. Maheu: The Prime Minister and the Minister of Finance must begin a process of actively consulting Canadians and provincial governments. They must create an integrated and fair taxation system. The government cannot fool Canadians by simply lowering the rate of the tax from 9 to 7 per cent.

An hon. member: One of your suggestions.

The Acting Speaker (Mr. Paproski): Hon. members, please. There is still an hour or so to go. I would appreciate listening to the hon. member. The hon. member for St. Laurent—Cartierville has the floor on debate.

Mrs. Maheu: When the opposition starts screaming, it means we have really got them worried.

We will not accept a tax that is still fundamentally flawed.

[*Translation*]

Even if it reduces the rate from 9 to 7 per cent, the government cannot expect Canadians to accept the tax without protest.

It is imperative that the federal government further consult with the provincial governments, in order to create an integrated and fair tax system.

At a time of economic restraint, when the Governor of the Bank of Canada is keeping interest rates at artificially high levels in order to fight inflation, our minister introduces legislation that may raise interest rates even more.

[*English*]

If we look back to when the government first proposed the goods and services tax, they said that it would be visible. We have been talking a lot about visibility today. They said that every Canadian would be able to see the tax when paying for an item or a service. Unfortunately for Canadians, this government has reneged on another promise. The problem is that this government has a remarkable tendency to raise taxes.

If we look at the old manufacturers' sales tax, we see that when the Conservatives first came to power, the tax was approximately 9 per cent. Now this tax has climbed to a level of 13.5 per cent after four increases.

Can Canadians really trust this Government to keep this tax at a relatively low level? I doubt it. They were not able to keep their hands off the old tax.

It will simply be a matter of time before the Minister of Finance increases this tax back to 9 per cent and heaven knows how high he will raise it after that.

[*Translation*]

Apparently, the present government would like to reduce the debt by raising taxes and eliminating social programs. The federal government must find ways to manage our country's resources far more effectively. We cannot let remote regions and the poor in this country pay the price of the Conservative Government's poor fiscal management.

As a government that professes to favour tax reform, the Conservatives have failed miserably.

[*English*]

Another promise that the government made with respect to the proposed goods and service tax was the fact that it would be revenue neutral. Well, it is obvious that the Conservatives are using the GST as one of their main instruments in the battle against the deficit. Instead of being effective economic managers, they are using the bluntest instrument possible, increased taxation.

• (1710)

The Minister of Finance will say that he has been brave in his cutting of government expenditure. His definition of bravery includes attacking the unemployed, withdrawing the Citizenship Instruction and Language Training agreements which helped new immigrants adjust to Canadian society, and closing down the cafeteria in one of the Parliamentary Buildings. Some hero! What kind of minister would engage in this type of action? It is very clear that fairness is not a word in the minister's vocabulary.

As the "Axe the Tax" movement has been saying, the administration of this tax will be a nightmare for small businesses throughout Canada. Canada will have the dubious distinction of being the only country in the world with a two-tier tax system. So much for this government's promise to keep the tax system simple.

[*Translation*]

It is estimated that the GST, the tax on people, will cost small retailers who will have to hire additional staff, including accountants, to deal with their new administrative chores, $2 billion annually. What is particularly disturbing about these additional costs is that most of this burden will be borne by very small businesses. It will be a nightmare for small businesses because the federal government is determined to impose the GST without the co-operation of the provinces. We will have a two-tier sales tax, since small businesses will have to apply both the provincial retail sales tax and the federal government's GST. Although the Conservatives claim they are trying to simplify the tax system, it is quite obvious that the GST, in its present form, will make it even more complex.

[*English*]

Another fundamental flaw is the fact that the GST will have a disproportionately negative effect on low-income Canadians, including senior citizens and people on welfare. People over 65 in my riding who live on pensions already have a hard time making ends meet. They do not have the means to pay for an automatic 7 per cent increase on the necessities of life. Is it fair for them to pay tax on clothing and on certain food items? We do not tax caviare, we just tax our seniors.

[*Translation*]

On a more personal note, I know a woman in my riding who can only afford one evening out a month. She will soon be housebound because she cannot afford to pay the 7 per cent tax the government intends to impose on practically all her purchases. This tax penalizes business people, but this woman is also very clearly penalized. These are people on small budgets who can afford very few extras, such as going to the movies or to a restaurant.

[*English*]

Many individuals who testified before the finance committee stated that proposed tax credits to low income earners would not be enough to compensate for the negative effects of the tax. The tax will be particularly difficult on seniors. The president of the *One Voice Seniors' Network* stated before the committee that the proposed tax credits are not reassuring. Seniors, many of whom are on fixed incomes, will still have to pay proportionately more of their income than richer Canadians.

A further flaw in the tax is the fact that the credits are not fully indexed to inflation. Therefore, as the years progress, what little protection individuals on fixed incomes had would be severely weakened. According to the National Council on Welfare, within five years 700,000 poor families would be cut off from the tax credit because of the absence of full indexation. Within 10 years, this number would rise to one million families.

[*Translation*]

As a former city counsellor and a former mayor, you will understand that. I would like to refer to the impact of this bill on the other levels of government. At a time when municipal budgets are drained by deteriorating infrastructure while collapsing under the increased burden of having to supply a variety of services and improve environment management, this Tory Government is

giving them and the provinces the additional responsibility of managing our national debt.

Municipalities have to use a multiplicity of services in order to offer their citizens a range of programs. With the GST, it is clear their operating costs will rise, with the result that services will have to be reduced or even eliminated or taxes increased in order to maintain some quality of life.

In fact, Canadian taxpayers will pay this tax three times. They will pay it when they buy a good or service. They will pay it again when municipal taxes and provincial taxes are increased. Each time the municipal government buys a pencil, the tax will automatically be transfered to the taxpayers.

Is the Government in effect creating two societies, one made up of people who have the means to look for every possible tax loophole, and the other made up of people who have always to think twice before buying their daily necessities because of their tight budget? Culture for the former, TV for the latter.

If we refer to the report on the tax impact of the GST, provinces suggest the tax would seriously jeopardize their financial situation.

[*English*]

While medical services are exempt from this tax, psychological services will be subject to taxation. This is simply an unfair assessment of the need of psychological services and the inherent benefits they have for patients. To exclude these professional health-related services from the umbrella of related medical services shows this government's insensitivity toward mental health issues.

[*Translation*]

In conclusion, I believe the time has come to balance things. The Government should tax fairly and stop favouring large corporations and very high income people. It is not reasonable that the same ones have to pay all the time, the poor, low income people, senior citizens on fixed incomes. It is unacceptable that this tax be implemented as proposed as early as 1991.

Mr. Bird: Mr. Speaker, we have reviewed with interest the Hon. Member's speech, and I have three questions.

[*English*]

First, I would like to ask the hon. member if she believes the representation which is contained in a study by Peat Marwick Thorne published on December 19 which states that a family of four with a single wage earner, making $24,000 or less, will receive a $580 tax credit per year in four quarterly cheques of $145 each. Does she believe that?

Second, I would like to ask the hon. member if she believes the representation made by the Department of Finance that families earning less than $30,000 per year will receive a net economic benefit as a result of the goods and services tax program, the total program, the elimination of the tax, the GST credit and so on.

Last, she has addressed low-income families. I would like to ask her if she agrees that the primary expenditures for low-income families are in the areas of basic groceries and rent for accommodation, both of which are tax exempt. Therefore, would those families not benefit from the goods and services tax exemption component as opposed to her claim that they will suffer increased expense?

I would like to have her answer to those three questions.

Mrs. Maheu: I thank the member for the question. Have you ever been poor? Twenty-four thousand dollars a year for a family of four? It is quite obvious that you do not have to answer the question for me because you do not even know what poor is.

• (1720)

When we talk about poor families only buying the primary necessities like groceries, and then they have to pay the rent, we forget about the fact that they have to heat their houses and buy clothes for their children, plus the 7 per cent additional expenses. Toward the end of the week, we are not even letting them get away without a tax on a package of cookies for the kids. When they get home from school, cookies and milk are a thing of the past for the poor family because they will not be able to afford them.

It is very obvious that they do not understand what being poor in this country means.

[*Translation*]

Mrs. Tardif: Mr. Speaker, I would like to return to the question just put by the Hon. Member for Fredericton—York—Sunbury and the answer to it. My hon. friend from Saint-Laurent—Cartierville probably reads Mon-

treal newspapers. I have here a clipping from the Montreal *Le Devoir* titled "An unavoidable reform". I would like to quote Albert Juneau, who had this to say in the last two paragraphs of that column: "There will be some gnashing of teeth here and there, but we will have to get used to it. The new sales tax on goods and services, the rules of which have been made public, will not please middle-and high-income families who will experience a significant increase in their tax burden. On the other hand, low-income families will be happy because they will be making real gains. As a result, in the face of increasing opposition to that new consumption tax, the Conservative Government, in order to obtain acceptance, chose to improve the situation of the neediest. This could not be done without increasing the tax burden on the most privileged and increasing revenues from the GST."

Mr. Speaker, when I look at the analyses that were made, not by people who simply reported the news but people who took the time to look at the whole issue, the general conclusion is first, that low-income Canadians will fare better and second, that, in all that was said since the technical document was tabled, there is no better alternative to the proposed GST, one that would reflect the disparities among our population, that would help to solve all the problems, one that would be a comprehensive proposal. I find it difficult to accept that people daily tell us the proposed GST will hurt the less privileged or senior citizens, when the exact opposite is true.

I also find it hard to understand that the tactic most often used in this House since the beginning of debate was that of petitions. I was listening last night to the news, after hearing the day before how important it was to the Liberal Party, the Opposition Party to put forward full cases of petitions. Last night, one of the leadership candidates said: "Listen now, it's so easy to make people sign petitions—all you have to say is: Look here, the tax will cost you money, a lot of money." One evening I see how important they view a petition, and the next evening they don't think much of it by the way they trick people into signing petitions. When I look at that I tell myself: How can that be taken seriously after all? Is there a will to help people, is there a way to consider legislation seriously, or do they talk simply for the fun of it?

Mrs. Maheu: Mr. Speaker, we do not wish to be constructive, we just want to get rid of it. Could the hon. member explain to us why 78 per cent of Canadians are against the GST. Your own constituents— I probably got signatures from some of your own constituents, because I received them from all over Quebec.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I am very honoured to add my few words to the motion put forward by my party that this House call upon the government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fair, simpler and integrated.

Over the last few months, my colleagues and I have tabled over 600,000 petitions bearing hundreds of thousands of signatures from Canadians right across the country who oppose this proposed goods and services tax. We have tabled petitions that oppose taxing everything from books and ballet classes to straight outright opposition to the GST.

I have been monitoring the petitions that I personally tabled. While looking through the government's response to the petitions, I was struck by the arrogance with which this government addresses very valid concerns of the Canadian public. The hon. members opposite know what I am referring to. We find in our desks about one month after tabling a petition a big brown envelope and inside is the response to petitions.

I want to do something that probably no other member has done in this House. I want to respond to this response to the petitions. The response to each petition, be it against the ballet lessons or the books, was identical. It it because of this that I think the response merits some serious attention and shows why we need serious reforms to our tax system.

First, we start off with the criticism of the current manufacturers' sales tax which, as we all know, was brought in at 9 per cent, and raised by this government to

13.5 per cent. The Minister of Finance describes this tax as discriminatory and complex. If the MST is discriminatory, that is one positive aspect of this tax that the GST does not have in that the GST indiscriminately taxes right across the board, placing a higher and bigger burden of taxes on the poor working population of this country.

With respect to the current tax being complex, let me quote from one of this government's traditional allies, Mr. John Bulloch. In response to the streamlined accounting system proposed by the government to simplify the collection of taxes, he states that these procedures "are the most complex part of the whole nightmare".

He has also forwarded his estimate that it will cost approximately $1,500 to $2,000 for this collection versus the government's estimate of $600. The Minister of Finance states that the GST will improve our competitive position and provide a major stimulus to economic growth. Although the Minister of Finance may have in the past consulted with a broad spectrum of sectoral and public interest representatives, as claimed in this response, there are dire consequences expected for our economy resulting directly from the implementation of this new tax.

Wood–Gundy, the renowned Toronto investment firm that has also traditionally been an ally of this government, among others, has predicted that the GST would set off inflation at a rate much higher than estimated by the Minister of Finance. This would in turn set off spiralling wage demands which would lead to higher interest rates which would lead to higher unemployment.

We then come to paragraph three of this response in which the Minister of Finance describes the generous credit to low–income earners and claims that families earning under $30,000 a year will be fully protected once the GST is in place. That is a bunch of hogwash. The working poor are worse off than when this government took power five years ago, through the minister's insistence in the raising of sales tax. Furthermore, the small relief that may be felt in the first year will be eroded very quickly as the credit is indexed only to inflation of over 3 per cent and therefore the value of the credit is virtually guaranteed to erode by 3 per cent in a year.

A tax that did not even exist one year ago has suddenly become the only solution to all our social and economic woes. If the truth be known, the only reason that this government is sticking to its guns on the GST is because it falls right into line with the government strategy of favouring corporations and the rich at the expense of the average Canadian.

• (1730)

According to the National Council of Welfare, since 1984 when this government came into power, income taxes for an average working poor family have risen by 44 per cent, while those of a typical top income family have dropped by 6 per cent. Yes, the average working poor family is paying 44 per cent more in income taxes, not including the direct effect of the increased sales tax, while the rich are paying 6 per cent less.

There is something wrong in our tax system when the collection of our revenues and the sharing of our resources leads to 378,000 people per month using food banks in Canada. This is based on Canadian Association of Food Bank figures. There is something wrong with our tax system when 151,000, or 40 per cent of the food recipients, are children under the age of 18. Children are twice as likely to need food assistance than adults. There is something wrong with our tax system when nationally on an annual basis it is estimated that 1.4 million different people, including 560,000 children, use food banks.

There are at least 1,100 emergency grocery programs and 400 meal programs either operated or supplied by food banks in Canada. Meal programs are estimated to serve 1.1 million meals per month. I have 11 food banks in my riding of Parkdale—High Park alone.

Sales taxes have become the answer to all of this government's revenue problems. Now we know why. At the expense of the majority of this country, this government is going to protect its rich friends. This is getting increasingly and frighteningly obvious. It does not take a genius to realize that $1 tax on an item is going to hurt the working poor much more than someone with an income of $100,000 or more.

In my riding of Parkdale—High Park, the average price of a house is $290,000. We already have a housing crisis. The GST will add another $9,200 to that price. That does not include the taxes on lawyer's fees, real estate, commission fees, lot levies, and so on. For the majority of my constituents who cannot even now afford a house, it will be virtually impossible in 1991. For those who do not have the money to buy, they will have to have the money to pay higher rents. The GST will affect new

dwellings and old, as it applies on all landlord operating costs.

For those of us who are making the decision to make any major purchases before 1991 to avoid the GST, do not worry. It will still get you every day, every month, every year.

In the fourth paragraph of the response to the petition comes the question of visibility. The response from the minister claims that because the GST will apply at the retail level and because it covers a broad base, consumers will know that they are paying the tax and how much they will be paying. This is the essence of visibility.

The Minister of Finance has already admitted that he does not have the legal authority to force businesses either to show the tax as a separate item on sales receipts or to display the tax on the shelf price. Why did the minister even bother to make this argument if visibility is already built into the tax for the consumer's protection.

That was the Minister of Finance's response to Canadians who have and are still voicing their opposition to the GST. I am amazed when I sit in this House and listen to the minister defend his tax. I am amazed because, first, he must have a very dim view of the intelligence of the population of Canadians when he argues that everybody who opposes this tax is wrong. They include economists, lawyers, financial experts, small businesses, provincial governments, non-profit organizations, public service organizations, the private sector and his own officials. They are all wrong. Only he and his buddies are right.

I am also amazed that he can continue serving as Minister of Finance, can keep a straight face and can look Canadians in the eye and say: "Trust me". I am not referring to the blow to his credibility with respect to the budget speech. I am referring to the promises he made only within the last year. The Minister of Finance promised that the tax would be revenue neutral. Instead it is a tax grab. He promised that it would be visible. Instead it is hidden. He promised that it would be simple. Instead it is extremely complicated.

If the current manufacturers' tax is referred to as the silent killer of jobs, I would put to you, Mr. Speaker, that the proposed GST will be the silent killer of everything, including jobs. I want to say to the Minister of Finance, scrap the GST, and go back to the drawing board.

Mr. Thompson: Mr. Speaker, we have heard that type of debate in the last number of days in this House. It does not change.

The member for Parkdale—High Park points out that we need serious tax reform, but again he offers no alternatives. He and members of his party do not come up with another plan at all. I guess he supports what the Liberal finance critic stated this morning. They favour maintaining the *status quo*. We realize that the *status quo* is broken. It has been broken since 1924. We are the first government to come to grips with that problem.

He lambastes our tax and what we are attempting to do with the GST, but again he puts forward no alternatives.

The amazing story in all this is that the opposition, especially the Liberals, criticize while not looking down the road to the future of this country. They are not serious in this debate at all.

If they were serious, they would stand up on their hind legs and give us their alternatives. They say that they want a fairer tax, a simpler tax, an integrated tax. That is exactly what the GST is going to be.

They continue to mislead the Canadian people in assuming that the new GST is going to be an added tax without using the word "replacement". I wish for once one of them would stand up and tell the Canadian people that this is a replacement tax. We are replacing an outdated, outmoded 1924 federal sales tax.

Mr. Flis: Mr. Speaker, it is very clear that this Tory member who just spoke cannot read or does not listen. This is what this whole debate is about. The motion does have the alternative. The motion reads:

> That this House call upon the government to abandon its ill-conceived Goods and Services Tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government—

This government could not even get the provinces to agree. It is going to be a nightmare for small businesses to collect two levels of tax here. It continues:

> —and that this be clearly visible to the taxpayers and designed in a manner that does not merely, under the guise of reform, constitute another increase in the over-all burden of taxation.

The hon. member asks where we are headed. The Tory government is headed to run this country with food banks. Some 1.4 million Canadians have to rely on food banks to satisfy their food needs. Thousands and thousands of Canadians have to make a choice. Are they going to use their money for shelter or are they going to use it for food?

The two basic necessities of life are shelter and food, and so many Canadians cannot afford both. If they want to spend more money on food, they have not got the proper apartment. I have seen eight or nine people in one room, sleeping on mats on the floor. This is the future that the Tories are bringing to Canada. When we form the government, after 1992, we certainly know what kind of a future Canadians want.

• (1740)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Ontario.

Mr. Thompson: Finally, Mr. Speaker, someone with some common sense.

Mr. René Soetens (Ontario): Mr. Speaker, I appreciate the cheering I am getting from the member, but I would like to get involved in this very serious debate because as a member of the finance committee I think I have a full understanding of the Liberal Party's intention in this resolution today.

I would like to go back to the actual recommendation that the Liberal Party put in the report of the finance committee to the House of Commons. Rather than participate in the process throughout Canada, they actively participated in the press conferences out in the hall and actively went to meet with all the associations outside the meetings so that they could make sure that their opinion was heard. They did not bother to stick around to hear the opinions of those who were witnesses.

Their recommendation was: "That the Conservative goods and services tax proposal be withdrawn and that the federal government immediately begin consultation with Canadians and provincial governments on the creation of a fair and integrated reform of the entire tax system".

They do not really describe just what they mean, but it involves the entire tax system. I thought I would be able to look at today's resolution to see what they are talking about. Did they follow through on their recommendations that they had in their report? They came through with the motion today that says:

> That this House call upon the government to abandon its ill-conceived goods and services tax scheme and to bring forward in its place a comprehensive reform of the tax system that is fairer, simpler, integrated, taking into consideration all forms of taxation and the needs and practices of other levels of government and that this be clearly visible to the taxpayers and designed in a manner that does not merely, under the guise of reform, constitute another increase in the over-all burden of taxation.

It is rather like the resolution. Does the Liberal Party really stand for tax reform? Does it really, seriously mean what it says in that resolution? Let us do a study and come to some conclusions. Let us just look at the record of the Liberal Party, because I think it is most important that we compare just what it says versus what it does.

I happened to go back and check the records. Yesterday, the member for Mississauga South mentioned some of the studies that were done, many of them under the Liberal Party. They include the Rowell-Sirois Commission back in the 1940s, the Carter Commission of 1966 that recommended tax reform, and the Macdonald Royal Commission that recommended tax reform. Even the member for Vancouver Quadra, when he was the finance minister back in the early 1970s, recommended tax reform. Marc Lalonde, when he was the finance minister, recommended tax reform, as did Mr. MacEachen.

All of them recommended tax reform. Here we are, finally getting around to doing something that should have been done as shown by many of the studies they did.

Suffice it to say that I was not here at that point, the previous finance committee did a very extensive study on tax reform, in relation to a goods and services tax or a value added type tax. All members of all parties in that committee endorsed the recommendation to proceed with a value added type of tax, the goods and services tax.

Liberals going back to the 1940s have been saying that the government should do something about the manufacturers' tax and the tax reform, and that we should endorse such action. Lo and behold, the Liberals did not have the guts to do it.

But what happens when a government is elected that has the guts to do it? They do nothing but criticize. They do not even have the courage of their conviction to say: "We recommended we do this a long time back, but we did not have the guts to do it. We commend you for doing what we just could not bring ourselves to do".

In the past they talked about tax reform to make it fair and simple. I cannot talk about the NDP because it has not been the government, and heaven forbid it ever gets there. Certainly we have some examples in provinces where it was the government. In fact, one of the members from British Columbia was premier and it only took them three years to discover that maybe another type of government would be more appropriate in British Columbia.

The Liberals believed in giving tremendously large grants. They believed in large Crown corporations. If de Havilland needed money, no problem. The same with Canadair, Air Canada, Canada Post and VIA Rail. Take it from the taxpayers and give it to those who really are happy to spend it.

Another example is the Foreign Investment Review Agency. All they were in favour of was big government interfering with everything. The National Energy Program not only shut down Alberta. It almost shut down all of Canada. Ontario was devastated with the PGRT taxes. They brought in taxes and tax schemes that are still with us to this day. In 1984 they gave us about a $40 billion deficit. They spent $40 billion more than they collected; $20 billion on programs. They were not even paying the cost of the programs let alone the cost of the interest, which at that point was another $20 billion.

The Liberals are calling for another study, according to their resolution today. They want another study. I listened to the member for Gloucester who proposed this resolution this morning. He recommended that we review taxes. He suggested, for example, that we look at property tax. He gave an example of a house in his riding in New Brunswick selling, I believe for $100,000, versus what it would sell for in the suburban Toronto area. Since when has the federal government been involved in municipal property taxes?

The Liberals talk about provincial taxes. They want to talk about excise taxes and transportation taxes. What they want to talk about is their past. What they want to talk about is big government and interference in everything in Canada.

Imagine what would happen to the municipal tax base if the federal government became suddenly involved in the municipal tax structure. It would be an absolute disaster to the municipalities. One need only listen to the cries now in the province of Ontario where the government is giving all kinds of programs to municipalities without the revenue sources to handle them. That is liberalism. It is rampant in Ontario. It is big government throwing costs on groups that just cannot afford it. Liberals stand for big government, big brothers and big Liberals.

The final report I really have to comment on was the visit today of the Auditor General to the finance committee this morning. The Auditor General made the comment that in 1984, during the federal election, he went to the Minister of Finance at the time, Mr. Lalonde, and complained that the SRTCs were going to cost us a fortune in tax leakage. What did they do about it? The Liberals said that they were involved in an election and did not want to be bothered. It cost us $4 billion to deal with their tax reform and their tax proposals. Heaven forbid we ever deal with their tax proposals again.

The Acting Speaker (Mr. Paproski): I believe the hon. member for Okanagan—Shuswap would like to rise on a point of order.

Mr. MacWilliam: Mr. Speaker, I am rising on a point of order to seek unanimous consent for extension of the sitting of the House to allow for a second member of the New Democratic Party to present his views on the motion at hand.

The reason I do so is that when I checked last, almost a half hour ago, five government members had spoken on this motion, five Liberal members had spoken on the motion and only one New Democratic member had spoken on the motion. I do beseech the consent of the House so at least we can hear one more member present the views of his constituents.

The Acting Speaker (Mr. Paproski): The hon. member for Mississauga South on the same point of order.

Mr. Blenkarn: Mr. Speaker, I think in the normal course of splitting 20-minute speeches I had agreed to take on a speaking responsibility following the member for Ontario.

In view of the fact that the member for Okanagan—Shuswap is a relatively new member in the House and I get lots of opportunity to speak, perhaps we can hear the views of members of the New Democratic Party. They say they have great views and wonderful ideas. I priced some of those ideas out. Perhaps we would have some fun asking him some questions if he restricted his remarks.

The Acting Speaker (Mr. Paproski): Instead of having an extension of hours, is it agreed that we allow the hon. member for Okanagan—Shuswap to have the last 10 minutes?

• (1750)

Mr. Boudria: Mr. Speaker, that would mean giving up the time for questioning of the previous member. I would certainly be prepared to do that.

In so far as the extension of the hours beyond six o'clock is concerned, given the fact that I, along with my colleague from Kingston and the Islands, had remarks to make earlier this week and we asked for extension of the hours and that was denied, I am not prepared to give it. However I am prepared to forgive the five-minute question and answer period in order to allow my other colleague to speak, as a compromise, to show good faith on our part and perhaps to forget a little of what happened earlier this week.

The Acting Speaker (Mr. Paproski): The hon. member for Ontario does not give unanimous consent. Are there questions or comments for the hon. member for Ontario? The hon. member for Sudbury on a question or comment.

Mrs. Marleau: Mr. Speaker, I am pleased to have the opportunity to make a comment, at any rate, before my question. I take very serious offence to the sleight of the member for Ontario on the Liberal members of the finance committee.

I happen to be one of those members. I attended hearings and I spent a lot of very valuable time listening to the people who came before the committee. I very much object to some of the comments that were made by the hon. member for Ontario. I do not believe that this House should be used for that kind of comment. It shows the kind of arrogance that some of these members have had toward these people who have taken time out of their busy schedules to come forward and make presentations to the finance committee.

Mr. Soetens: Mr. Speaker, I am sorry if I have upset the hon. member. Certainly there were participants from the Liberal Party during the finance committee hearings as there were participants from the NDP.

The only comment I would make is that the record of attendance is there. I grant that the member was there, but other members of her party consistently were not there and were more actively involved outside the committee process. I believe we were there to take part in the committee process. I heard most of the witnesses, by far.

I can comfortably stand here in this House and say that the majority of the witnesses were in favour of the goods and services tax. They had amendments that they would like to see, many of which were recommended by the finance committee, but they supported the goods and services tax. If those members were there listening to all the witnesses that I heard, why are they not here saying the same thing? Why are they not here saying that many of those witnesses who appeared thought that this was an excellent idea and we ought to proceed with it?

Mr. Thompson: Mr. Speaker, I have a question for the member for Ontario. It has to do with senior citizens and those members of society in lower income brackets and the impact of the GST and the tax credits in relation to those two groups.

Mr. Soetens: Mr. Speaker, it is certainly a very appropriate question. We have had some debate today in the House about the credits that low income Canadians would be getting from this tax. Some said the credits were certainly not adequate. I would point out that that is exactly opposite to what was said by witnesses from the National Council on Poverty and the National Council of Welfare. They felt the credits that were being granted were in fact adequate.

I should add for the member's information that, for example, in his province of New Brunswick there are some 267,000 families or 75 per cent of the families in

New Brunswick who will be getting a credit in the amount of $215 on average per year. That is a very substantial percentage of the people of New Brunswick who will be getting assistance. The same is true for Newfoundland, a place where assistance is definitely needed, where low-income families unfortunately do need the help. Some 85 per cent of the families of Newfoundland will be getting sales tax credits.

Across Canada 64 per cent of families will be receiving sales tax credits. I believe we have very adequately protected those low income Canadians from added costs that might occur.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I would like to thank the House for the incredible latitude it has shown in terms of equity of presentation today.

Last fall when it became clear the government was set to proceed with its kamikaze mission of imposing this goods and services tax, I took the opportunity to canvas the business community in the riding of Okanagan—Shuswap. From the North Shuswap down through Salmon Arm, Sorrento, Sicamous, Enderby, Salmon Arm, Armstrong, Falkland, Lumby and down into Vernon I talked to business owners throughout the riding and with their customers.

I have never before seen such anger, frustration and complete contempt for any government initiative. Business people, housewives, professional people, elderly people, people right throughout the riding were telling me to come back here and to kick the slats out of this government for what it is trying to do to the people not only of Okanagan—Shuswap but all of Canada. They are extremely angry and upset and they want the government to know it.

There has never been a more abusive tax measure, a more unfair tax proposal, a more damaging initiative, unless we do not exclude the free trade deal. I left almost 500 stop the tax petitions in those businesses and only 4 out of about 500 businesses that I visited did not take the anti-tax petition. People signed them in droves. Today I deposited my last instalment of 127 anti-GST petitions. Some 3,325 residents signed those petitions. That totals 311 petitions with 14,700 signatures from the riding of Okanagan—Shuswap.

That represents over 25 per cent of the registered voters in my riding who were angry enough about this tax measure to put their signatures on the line. An equivalent of over one in four voters felt mad enough about this gouge and squeeze tax to sign these petitions.

As well as that I have received over 1,000 stop the tax protest cards. In fact this is a package of over 1,000 mail-backs asking the government to stop this tax. As well, I have over 5,000 questionnaire surveys. Here is one box with 1,000 in it, and there are four more in my office upstairs.

The people responding in those surveys have made it very clear that they want this tax stopped. They do not want it reduced, modified, or phased in. They want it stopped, killed, DOA.

They want that because they know that this tax is going to hurt them. It is going to hurt them as consumers. It is going to hurt them as small business people who are trying to get by and maintain their standard of living.

Consumers know that it means a higher cost of living. Seniors know that it means doing with less again, and those less fortunate also know that it means tough times ahead.

Tory times are tough times. Tory times are taxing times, and these Tory tax tricks are terrifying people right across Canada.

I know my time is very limited and I appreciate your indulgence, Mr. Speaker. I want to read into the record a few comments from people in the Okanagan—Shuswap. A constituent in Salmon Arm writes: "The GST is an insidious assault on working people, retirees and average Canadians. We are fed up with the continued assault on Canadians by this government."

Here is one from a former president of the Conservative riding association in my constituency: "This tax will play hell with the tourism industry and the people of Canada."

And a third one: "Why is it that the average Canadian continually has to bear the brunt of financial incompetence of our government?" That is from a Mr. Johnson.

There are many more comments like them. I could go on at length. However I think they give a very clear message that people not only in my riding but throughout Canada are extremely upset with this proposed tax measure. There are better ways to reduce the debt. We have talked about them repeatedly. My colleagues in the

New Democratic Party have proposed a number of alternatives.

I submit to you, Sir, that one way is to get tough with the corporate welfare bums. I know that term was used years ago, but it still relates today, those corporations that continue to stick their snouts into the federal trough. The government is giving away $30 billion—

The Acting Speaker (Mr. Paproski): I regret that the hon. member's time has expired.

It being six o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

ADJOURNMENT MOTION

[*Translation*]

The motion to adjourn the House under Standing Order 38 is deemed to have been moved.

OFFICIAL LANGUAGES ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Last Friday, Mr. Speaker, I tried to find out whether the government was planning to issue the regulations related to Bill C-72, which the House adopted in the spring of 1988.

Mr. Speaker, these regulations are necessary for Canadians to know exactly with what tools the legislation will be implemented. The Official Languages Act needs its own regulation, because, otherwise, it would be like a boat without a rudder. The target would be easy to see but difficult to reach.

Following the adoption of the legislation in July, 1988, the Official Languages Commissioner wrote last year in its annual report, and I quote:

> We hope the first regulations will be tabled in the House by the end of 1989.

He made that statement in his annual report.

On April 11, I asked the president of Treasury Board when he expected to table his draft regulations. This is what he said, and I quote:

> In today's report, the Commissioner said that he hoped regulations would be tabled by the end of 1989. I can assure the hon. member that the regulations will be tabled in the House well before that date, so that we can have final consultations with all members of this House.

Mr. Speaker, it has been 20 months since the act was passed, and 10 months since the President of the Treasury Board promised in the House that regulations would be tabled. It will have taken nearly three years, if you know what the procedures are, to give this legislation some teeth, to have a set of regulations adopted and implemented.

Mr. Speaker, this is a very long time for what I consider an urgent matter. I think that considering the symptoms we are seeing in this country, symptoms that are widely known and in deed regrettable, we cannot let this kind of intolerance exist with respect to certain groups across the country.

If the government does not table the regulations, if the government is reluctant or perhaps afraid to table its regulations today, it compounds the problems for Canadians who need to know the objectives and methods by which the act is implemented. It is a very difficult situation, especially for Francophones outside Quebec, because we need these regulations to have a clear understanding of the policy and how it is applied. Mr. Speaker, there are three main chapters that require clarification.

Language of service: in other words, the language used by Canadians to ask the government for the services to which they are entitled.

The language of the institution: being bilingual, Canadians may chose the language in which they wish to communicate with the government. The language of services to the public is essential. What are the regulations in this respect? Well, we don't know, Mr. Speaker. But I can tell you that the language of service, Section 26 of the act, safety and security of the public, is important and we must know where we are going.

• (1805)

Section 32: definition of significant demand. In what regions of our country will we provide services to Canadians in the language of their choice?

Section 33: authority of the Governor in Council to oblige institutions to provide those services. So, there are three sections in this act that are very important and require a regulatory definition.

The other component, Mr. Speaker, is language of work.

Section 38: The obligations of the employer—the federal government or, if you prefer, the President of the Treasury Board as our representative—to promote the language of work (documents and all other work instruments). Prescribe parts and regions conducive to the use of the language of work. Here again, Mr. Speaker, firm decisions must be made to determine where, when and how these rights will be exercised.

Finally, fair participation.

Section 40: Ensure equal access to employment by both linguistic groups—the English-speaking minority in Quebec and the French-speaking minority outside Quebec—while maintaining the merit principle.

Mr. Speaker, these three issues—language of service, language of work, and fair participation—call for clear and specific regulations. I know that the government did consult with minority associations, I know it did consult with the various departments. I also know that the government is sitting on its regulations. I am asking the government why hesitate now to let Canadians know the major points of the regulations which would put some teeth in the Official Languages Act and give us an idea of where we are going. The government simply has to change course, Mr. Speaker, and that does take a bit of courage.

However I will not say what I think, that the government lacks courage. In that respect, Mr. Speaker, I think there are enough Members on the other side of the House who believe in the objective of the official languages, who like me will very soon want to know just what the government plans to do about the official languages. This once, for heaven's sake, give us an answer!

[*English*]

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, before I respond to the hon. member for Ottawa—Vanier let me very quickly cover three points.

First, in the House this week the Prime Minister and the government confirmed in a motion their commitment to official bilingualism and language policy in Canada. That motion reaffirms the commitment to support, protect and promote linguistic duality in Canada as reflected by this House in the Constitutional amendment, 1987 and the Official Languages Act. The commitment is there and clearly confirmed.

Second, let me say to the member for Ottawa—Vanier that everybody in this House respects his devotion to the promotion of official languages. I personally encourage him, as a person from a predominantly unilingual English area, to continue that commitment and not to hesitate to express his views at any time.

The third point, which I think is the most important of all, is that our language rights are embossed in the Canadian Charter of Rights and Freedoms. No legislative act or regulation can improve on the enshrinement of language rights in that constitutional document. I would like to think that the language minorities of this country are protected by our Constitution, but that does not mean that we should not move to improve and implement those rights in any way we can.

That brings me to the Official Languages Act, which members of this House enacted in July, 1988. That Official Languages Act was a very special kind of document. Great care was taken to ensure the proper implementation of the provisions of the document relating to language rights.

The member specifically mentioned language of services. That is one of three important areas covered by the Official Languages Act.

The member also knows that the House of Commons when it enacted that important piece of legislation provided a very special procedure. Unfortunately, that special procedure is quite complicated. It involves various processes that delay passage of regulations, but it is designed to ensure that when a regulation is made and acted upon it will have the real support not only of this House of Commons but of all the major linguistic groups in the country.

• (1810)

It is to that end that we would like to direct our attention, not simply regulations for the sake of getting them through quickly but regulations that have meaning, that are accepted and will be enforced and have the support of everybody involved.

I do not need to remind the member of the complications of the process but he knows that it involves time frames, presentation to the House and publication of regulations in the Royal Gazette. It is a five-step

procedure which I will not detail because it is contained in the provisions of the Official Languages Act.

One of the important parts of the process is consultation. That consultation has taken place but it is not a process that starts and ends, it is a continuing process. If anybody sees any difficulties that would be an impediment to the implementation of language policy I think they have to consult at whatever time and regardless of what past consultations have taken place.

Let me conclude by saying that it is a difficult process but it is a process that is worth following carefully because in the end, if we have regulations that implement the language policy as adopted in the Official Languages Act with everyone's consent and concurrence, then the regulations will be effective and they will accomplish the end that we all desire. I know that that is the aim and goal of the member for Ottawa—Vanier in particular as well as of all members of the House.

JUSTICE

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I rise to express concern about the response to my question on January 29 with respect to the Donald Marshall inquiry and the recommendations made under that inquiry.

At that time I asked the Minister of Justice and Attorney General of Canada what that minister was going to do with respect to the number of specific recommendations made by the Marshall report which fell entirely within the federal jurisdiction. I referred to issues such as establishing a court worker program or a native court system in the native areas of Nova Scotia or dealing with the establishment of a justice institute.

I also addressed a question to the Solicitor General with respect to the recruiting and hiring of RCMP officers of minority origin, in this case specifically native Indian origin.

This is an extremely important issue. As you are aware, Mr. Speaker, there are inquiries into the equality of justice being administered to natives all across Canada. There is an inquiry going on in Alberta now. There is an inquiry being pressed for in Saskatchewan, although the Attorney General for Saskatchewan is refusing to get involved in an inquiry even though the number of natives in jail in Saskatchewan is grossly out of proportion to the number of natives in the general population and there is clearly evidence that the justice system treats natives differently than it treats Canadians of other racial origins.

My specific concern was about the recommendations of the Marshall inquiry. In response to one of my questions the minister indicated that within seven to ten days he would be coming down with responses to the specific recommendations of the Marshall inquiry. In the meantime, he indicated he would be consulting with the authorities in Nova Scotia. As the Speaker is aware, the authorities in Nova Scotia have come out with a relatively detailed response to the recommendations of the Marshall inquiry.

As I pointed out in my statement made earlier this morning, I believe, as do many Canadians, that the response made by the Government of Nova Scotia was completely inadequate. In fact, it tended again to put the blame on Donald Marshall as being the author of his own misfortunes. I would like to quote briefly from the executive summary to the response of the Government of Nova Scotia. It states: "Difficulties Micmacs encounter with the justice system are rooted in social, political and economic structures outside the justice system and are not the result of any evil intention to discriminate by justice personnel."

We saw in the Marshall inquiry report that that statement is absolutely false. The justice system, according to the Marshall inquiry, failed Marshall, and according to the findings of the inquiry, it failed Marshall because he was a native Indian.

• (1815)

I think it is good and worth while that the Attorney General of Nova Scotia, Mr. McInnis, has apologized to Donald Marshall. I think it is a good and worth while action on the part of the government of Nova Scotia that it has now referred the issue of compensation back to Mr. Justice Evans to investigate a possible increase in the compensation given the fact that both federal and provincial authorities were at fault for the racial prosecution that took place against Mr. Marshall.

I think more has to be done by this federal government. Native Indians in Canada are the jurisdiction of the federal government and justice to native Indians is a problem all across this country, not simply within a particular province of Canada. The problem is not that Indians run into more mistakes with the federal justice system or that there are collections of circumstances which cause more problems with Indians. The problem is

that aboriginal people are discriminated against by this justice system.

In part, Mr. Speaker, it is a cultural thing. I think we saw evidence of that in the Innu case that is taking place in Labrador right now. The Innu are being expected to testify before a court which they believe is on a land that has been stolen from them, before a judge who represents the people who stole the land from them, to try to establish why they should not have the right to occupy land which was taken from them without compensation and without any documentation.

As I say, the system of justice in this country discriminates culturally against native Indians and we need to have quick, distinct, positive and proactive answers from the Minister of Justice in this House so that natives in this country will be able to have some expectation that in the near future we will not have any more Donald Marshall situations and we will not have any more of the kind of situations that are taking place with the Innu people in Labrador.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the report of the royal commission on the Donald Marshall, Jr. prosecution was anxiously awaited by a great many Canadians. The prosecution, wrongful conviction and imprisonment of Donald Marshall, Jr. has come to symbolize for the public a growing awareness of problems in the criminal justice system, particularly as those problems affect aboriginal persons.

The federal government is deeply concerned about this issue. The Minister of Justice chairs a committee of federal and provincial ministers responsible for justice matters and this committee has identified aboriginal criminal justice as a matter of highest priority. The minister and the federal government actively and regularly consult with native groups about necessary reforms in the system of aboriginal criminal justice.

I can tell the House that this is a subject to which the hon. minister has devoted and will continue to devote considerable attention.

The release of the royal commission report represents an important turning point in the history of aboriginal criminal justice and is now receiving a most detailed review. The commissioners found that the criminal justice system failed Donald Marshall, Jr. from the time of his arrest, conviction and imprisonment in 1971, up to and even beyond his acquittal by the Nova Scotia Court of Appeal in 1983.

The report does not, however, just indicate where the system has gone wrong, it also makes a number of thoughtful and far-reaching recommendations for reform. Since the report was released the minister and the Department of Justice have been carefully studying its findings and recommendations. The Minister of Justice has conferred with his provincial counterpart in Nova Scotia and the department has as well discussed the matter with interested parties including a number of native individuals and organizations.

The interest of the hon. member for Comox—Alberni in the matter is well recognized by this House. The Minister of Justice shares the interest and is giving consideration of the royal commission report priority attention. I expect the Minister of Justice will respond to the parts of the report which pertain to the federal role in the administration of criminal justice in the very near future.

• (1820)

In closing, I would like to indicate to my hon. friend that all Canadians share his concern about the wrongful conviction and imprisonment of Donald Marshall, Jr. and the findings of the commission. Nothing can properly compensate Mr. Marshall for the years he has been in prison. We can, however, use this opportunity to take what steps we can in order to ensure that this tragic case does not recur.

TELECOMMUNICATIONS

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, on November 3 I rose to ask the Minister of Communications why he had rejected out of hand and refused to negotiate a compromise proposal on the regulation of telecommunications that had come from the prairie phone lines, the three prairie governments, when they proposed that the prairie governments should maintain control of local service, that the federal govern-

ment should control interprovincial and international service and that the cost of maintaining affordable local service be split.

Prairie people are getting very frustrated with this situation, as am I, because the minister says he is negotiating but in fact there are no negotiations taking place at all. The minister is repeatedly holding a gun to their heads and saying: "You either do it my way or I will take unilateral action", and that is not negotiation.

Obviously the minister is ignoring two very important elements of this situation. One is that the prairie phone system was built over 80 years by the people of the prairies and is a very appropriate system to that part of the country and is recognized as one of the most modern and efficient in the world.

Second, he ignores the very real consequences. His own department produced the Sherman report which said that nine out of ten users would pay more than they are now for local service, including 90 per cent of businesses, with the justification for this whole move being that businesses would be more competitive. In fact, 90 per cent of businesses would pay more.

Then, just this week, a report done by Dr. Robert Olley, an internationally respected telecommunications expert, came out which said that the basic phone rates on the prairies would rise 167 per cent for rural users and 140 per cent for urban users.

What is happening here is that people who have low incomes, people who are in isolated areas, people who live in rural areas, are going to find themselves more and more cut off from the basic phone service that everybody needs to become part of modern society and be part of a modern economy.

Furthermore, it totally ignores the fact that there are different ways of doing things in the different regions of the country. It seems ironic that the Minister of Communications, who is very much a champion of his particular region, should so totally ignore institutions that have been built up and work very well in our particular region of the country. That kind of attitude certainly does not help to lessen the stresses and strains which our country is feeling.

Therefore, I would like to ask again, why is this minister proceeding in unilateral fashion, without any kind of meaningful negotiation with the prairie phone systems, to introduce a phone system that would be a Cadillac system for the wealthy, the big businesses and the people in big cities while the low-income people, the people in isolated communities, the people in rural Canada, the people in the hinterlands, would become more and more second-class citizens? That just does not seem right to me and I would like to know what the real answer to that is.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am very pleased to have the opportunity to respond to my hon. friend. Over the last five years the Government of Canada has conducted extensive negotiations with the provincial governments to find a way to accommodate their role in and responsibilities for telecommunications. I have had the honour, Sir, of being part of the most recent negotiations and I can assure my hon. friend that they were very serious negotiations with no gun held to anyone's head.

The concept of two-tier regulation was rejected by the industry, including the provincial telephone companies. So, with no satisfactory settlement, a new approach and a new consultation mechanism was called for. The federal government decided it would be in the best interests of all Canadians to resume those negotiations. The emphasis now was to develop mechanisms for effective consultation and thereby ensure that all levels of government be involved in future policy and regulatory formulation.

• (1825)

The new comprehensive legislation that the minister intends to table shortly is based on the over-all objective of not only creating one national telecommunications policy and a simplified regulatory framework with one regulator, but also the promotion of equality for all regions, regional sensitivity in policy and regulatory formulation, a thriving market-place in the supply of telecommunication services and equipment, and an open market.

There has been drafted a new memorandum of understanding with the provinces. We have consulted with them on this matter and have received a favourable response. The memorandum of understanding and the proposed telecommunications legislation does include the proposals of the Prairie Telecommunications Alliance.

Notably, some of its proposals are the following: regulation must be sensitive to the priorities of rural

development; it must recognize provincial participation in developing ongoing maintenance of national telecommunications policy; the national policy must promote industrial development in the provinces; and national telecommunications policies must include measures that enhance our international competitiveness and reduce regulatory burdens.

We are now in the wake of the Supreme Court decision of August 14, 1989, which found that regulation of provincial telephone companies was within the ambit of the federal government and, notably, the CRTC. Now Canadians are concerned about rates. Most Canadians are concerned about possible increases in their local telephone rates. The proposed legislation which is to come has no impact on specific rates. The most significant change that will result from the legislation is the simplification of the regulatory structure.

No existing regulatory decisions, orders or associated items of service will be affected. Significant changes in any rates require a thorough public hearing process, I should add, much more open than the process that exists in the hon. member's own province of Saskatchewan where rate decisions are made behind closed doors by cabinet and not even by a public utilities commission.

The CRTC's vigorous public hearing process will now be applied to all regions of the country, creating uniformity of the decision-making process. This does not imply, however, that the rates between or within companies' areas of service will be changed. Again, such changes, if and when they occur, must occur only through public hearings in which all interested parties can participate.

I wish to emphasize that the introduction of the new telecommunications legislation has nothing to do with the issue of whether long distance competition should be introduced.

Finally, I wish to conclude by saying that the large increases in local rates suggested by several opponents of long distance competition, including my hon. friend, are based on extreme assumptions.

The federal government commissioned a federal—provincial task force to examine the impact of long distance competition. That is the Sherman report. We agree that some rate changes may occur. Even under the most extreme assumptions in the Sherman report, local telephone rates did not increase appreciably. But, as stated in the report, the size of this impact depends on basic assumptions. It will not be until we have a formal submission that more conclusive evidence could be made available concerning the actual impact of the introduction of long distance competition on local rates. There has been no submission for long distance competition involving the prairie region of the country.

I should emphasize, just in concluding, that the telecommunications policy, the telecommunications legislation which is about to be tabled in this House, has no relationship with long distance rates.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Friday, February 9, 1990

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

COMMUNICATIONS AND CULTURE COMMITTEE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise on a point of order as my party's communications critic and a member of the communications and culture committee of the House of Commons.

John Kim Bell is a distinguished Canadian. He is the first North American native to become a symphony conductor and he is founder and president of the Canadian Native Arts Foundation, which provides educational grants and scholarships for promising young natives.

I can testify to the fact that he has been applying to appear before the House of Commons committee on communications and culture to be heard with respect to funding for native cultural projects. There has been some resistance to allowing him to appear before the committee.

He is quoted in *the Ottawa Citizen* today as saying with respect to the hon. member who is the Chair of that committee, that the Chair said, "The problem is, Indians are lazy." These were his exact words. These are the words of the Chair of the committee to Mr. John Kim Bell. There is a very serious allegation of racism and it comes at a time when there are some unfortunate similarities of racist attitudes in other issues in other parts of the country.

I put the government on notice that we expect a statement from the Minister of Communications or from the Prime Minister with respect to this matter.

Mr. Speaker: I am not sure that is a point of order.

Mr. Cooper: Mr. Speaker, I would like to make two comments. The first one is that the hon. member from Manitoba is not here at the moment. Traditionally, before any charges, or any accusations against a member or any points of order of this nature are heard, we ask that the member affected be in the Chamber.

Second, I understand from talking with the member who is being referred to here that he plans to rise on a personal point of privilege later in the day. So I think that issue can be addressed at that time.

Mr. Speaker: I think perhaps the best way to deal with this is to leave it where it is at the moment. Let us see what events unfold during the day. I know very well the very sincere and serious concern that brings this matter to the floor of the House, but I think that the hon. parliamentary secretary is right. It has been said. Let us await events.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Friday, January 26, consideration of the motion of Mr. Bouchard (Roberval) that Bill C–5, an act to amend the Railway Act, be read the second time and referred to a legislative committee.

• (1010)

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, I will just take a couple of minutes to make one point on this legislation. The transportation policy over the years has been based on the need for transportation, particularly in remote areas. What is happening today is that transportation policy is becoming less of a national policy and one more based on economics, the amount of money that can be made. This why I want to make one

point on this particular shortline railway, the Central Western Railway bill.

This railway is an experiment. The basis on which the movement of grain can be paid for has not changed because this railway is in place. It is an experiment. Any grain that would be delivered from any point to Vancouver or to Thunder Bay, would get the same amount of freight as if it were transported from the end of the railway. In other words, there is no basic method, except for government subsidies, to pay for the continuing operation of this railway.

The $7 million used to operate this railway is entirely a government subsidy. Those funds which I gather amount to some $17 million after upgrading are of no real value in changing the arrangements for the movement of grain. They are a slight saving to the CNR, and of course they are a saving to the farmers on that line because they would have to haul many more miles if the line were abandoned.

We should recognize that the funds to keep this railway or any other shortline railway within the structure we presently have will require the subsidy of the government for its entire operation. That is the way it will operate unless a change is made in the movement of grain by this government.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: On division.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

The House resumed from Thursday, January 25, consideration of the motion of Mr. Clark (Yellowhead) that Bill C-25, An Act to amend the Geneva Conventions Act, the National Defence Act and the Trademarks Act, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): I was speaking to this bill when it was before the House a week or so ago. The point I was trying to make at that time was that although it is very important to have the Geneva Convention and the protocols ratified, there are other things we should be doing to make sure that the world is a better place and that there is less chance of war.

Making rules for making war less barbaric, although recognized as necessary, really gives us the idea that war is okay. Therefore even as we ratify the protocols that are part of the Geneva Convention, we should do things that will help to make the world more likely to keep the peace.

I want to mention a few of the things I think Canada can do to increase the likelihood of peace around the world. Something we could do immediately here right at home is ban the testing of weapons in Canada. We could eliminate testing of the cruise missile tomorrow if we wished. That in itself would send a message that we are really concerned about making peace possible in the world.

We could establish a comprehensive test ban and Canada could press for such a ban. The 1963 treaty banning the atmospheric testing of nuclear warheads was a move in that direction. We can thank Howard Green, who was the minister at that time, for his significant contribution to the ban on testing nuclear weapons in the atmosphere.

We now have U.S. resistance to a comprehensive ban on the testing of nuclear weapons. But Canada could do something about that by refusing to be part of it. Instead, we are going along with the strategic defence initiative, the star wars initiative, that the U.S. has in place. By being part of that star wars initiative we are contributing to the development of armaments in the world. We are therefore part of the resistance, if you wish, that the U.S. has shown to the testing of nuclear weapons.

We should consider all of the money we are spending on armaments in conjunction with the money being spent on other things happening around the world.

Over 20 million people have died in wars since 1945. The world spends $130 million every hour on armaments. During that same hour 2,000 children die of starvation and disease.

The transfer of arms to Third World countries has risen from $5 billion per year in the early 1970s to as high as $35 billion per year in the 1980s. Many of those arms transfers are done on credit, something which adds to the debt of Third World countries. Consequently, this

decreases the possibility of worthwhile development and the elimination of hunger and disease in those countries.

• (1020)

There have been some positive developments, and Canada has a good record of development aid. However, our record is not as good as it could be and we could do more. We could do more in terms of peacekeeping work and development. As I mentioned the other day, we could also make a very basic and direct move by reducing our military exports.

When this government first came to power five years ago, one of its first privatization operations concerned the armaments industry in Canada. While the armaments industry was under public control we had very specific control over the export of those armaments. Since that time—and I cannot blame the company that took over the manufacture of armaments too greatly—arms made in Canada have been appearing all over the world.

According to Project Ploughshares, approximately 300 million armaments from Canada go to the Third World either directly or as parts of units assembled elsewhere. A large number of the recipient countries that are serious violators of human rights.

In the Iran–Iraq war, Canadian–made components for weapons appeared on both sides. There should be stronger restrictions so that, minimally, military and military–related products do not go to human rights violators. The end use of any components should be part of the exporting requirements and should be firmly controlled. Better still, we should stop making and selling armaments completely.

Canadians could also make an effort, both nationally and internationally, to reduce the flow of weapons on the international market. As a place to start we could make requirements which would force suppliers to recognize when they are contributing to world armament.

We could appeal to places such as Indo–China, the Horn of Africa, South Africa, Central America, the Middle East and other places where there is widespread killing, devastation and injustice. We could deal with them and start a movement toward the elimination of armaments.

Even as we make rules for war we should be doing much more to ensure that war becomes less likely in the world.

Mr. Deputy Speaker: On questions or comments, the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I have a short question for my hon. colleague who has spoken so thoughtfully regarding Bill C–25. We are aware that the legislation deals with international conventions. From time to time one asks why we bother to sign these conventions if we are going to ignore them.

The Canadian government supported the American invasion of Panama which was in direct contravention of the international principles of national sovereignty as articulated in the United Nations Charter to which, of course, we are a signatory. Does that not put into question the whole matter of living up to these international conventions that we sign?

I suppose we could also draw attention to the situation in East Timor. Again, despite the United Nations Charter's recognition of the rights of the people to self determination, the Canadian government continues to refuse to recognize this right in practice when it comes to the case of East Timor.

I had the opportunity some time back to actually be one of the visitors to East Timor. As a result of that visit there were some unfortunate comments that all is well. Despite all of the evidence that was presented regarding Indonesia's invasion of East Timor in the late 1970s and the fact that Indonesia has continued to occupy East Timor ever since we have really never had any comment from the federal government. It is simply ignoring the plight of the people of East Timor.

We could talk about the issue of the CANDU reactors and nuclear proliferation when we see our sale of CANDU reactors to regimes like those in Cambodia, South Korea, and India. Obviously this has implications in terms of nuclear proliferation in contravention of the principles of the non–proliferation treaty.

There are so many conventions that we have signed, yet one could provide a whole list of where the Canadian government ignores the fact that we are a signator to these conventions. I think particularly economically

about asbestos when the International Labour Organization has laid very clear restrictions on the sale and use of it yet we send tons and tons to countries like Thailand.

I wonder if my hon. friend would comment on some of these questions and the fact that, while we give lip service to international conventions, when the crunch comes we seem to often turn a blind eye. Does he agree with that, and what would he suggest we could do as a result of that?

Mr. Hovdebo: Mr. Speaker, Canada is not lily-white in any way when it comes to making itself considered around the world as a peace-loving nation. We do have a considerable reputation as a peace-keeping nation, but we continue to support a variety of actions which belie the seriousness of our seeming desire to be seen as a peace-loving nation.

I spoke earlier about the hypocrisy of Canada in these areas. It is not something that we should dwell on because it is something that every nation in the world can be accused of. Even as we say that we want to eliminate war, we establish rules under which wars can be carried out and, therefore, seem to legitimize the war. At the same time we build, sell and trade armaments. We force countries into debt by giving them armaments on a credit basis. Our reason for this is, if we do not do it somebody else will. It is a pretty thin excuse.

• (1030)

The areas of export and indirect violation of human rights to which Canada contributes are all part of that hypocrisy. I want to stress the point that we are one of the nations that can be accused of that. We are not the only nation but we can lead the way in eliminating many of those things which do contribute to war, devastation and hunger, and in doing so perhaps make the world a better and more peaceful place to live.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

HIBERNIA DEVELOPMENT PROJECT ACT

MEASURE TO ENACT

The House resumed from Monday, December 18, consideration of the motion of Mr. Epp that Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto, be read the second time and referred to a legislative committee.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise as my party's former energy critic. I started out going right up the National Energy Program and then right down the National Energy Program. I was there as it was brought in and as it was dismantled, and we are back to square one. We are not really back to square one. There have been some major changes in energy and I would like to speak briefly about that in addressing this bill.

This bill concerns the financing of the Hibernia energy megaproject; drilling for oil in iceberg alley, as they call it, hundreds of kilometres off Newfoundland in the Atlantic ocean. This bill, C-44, runs parallel to another bill, C-45, which is to finance what is called the OSLO project, which is a project in the Alberta tar sands, another vast energy megaproject.

As Canadians we must ask ourselves whether Canada's energy future lies with big hydrocarbon megaprojects. Consider that last year Canada spewed 473 million tonnes of carbon dioxide into our atmosphere. The carbon era, the era that powered our society and powered our motor vehicles especially through gasoline from oil, I believe is coming to a close. Part of our problem, to be fair, is that we are in an interstitial period, a kind of interim period. We still drive cars. We have not adjusted to the new reality of the world environment.

Scientists are telling us the carbon dioxide that is produced from the burning of fossil fuels is producing, together with other greenhouse gases, a global warming by trapping the infrared radiation in the atmosphere. There have been all sorts of dire predictions: melting ice caps, rising sea levels and changing weather. We all seem to notice changing weather, but is it real, are the predictions real? We do not know, but we would be foolish not to take seriously the prediction of scientists.

I am told by some of my friends and some professionals in the area that all bets are off, that, as David Suzuki said, we have ten years to save this planet. So we have to look at these vast projects in a new way. We have to look at them as environmentalists as well as energy producers. I think that members on all sides of the House realize that, including people from Alberta and people from Newfoundland who want to benefit from the projects.

There is a second reality we have to face. One of the news headlines this morning reads: "Get ready for harsh budget, Tories warn". We are going to have a budget on February 20 and I suspect that we are going to be told how we have to cut the deficit and how difficult it is to run a modern government, how there will have to be cutbacks in certain programs. That is one of the reasons we are getting the goods and services tax, to pay for government expenditures.

I want the House to look at the expenditures here in Hibernia because they are very illustrative of how expensive these projects are. This bill talks about a grant. Do not forget that there are some of the biggest oil companies in the world involved here, but we have to give them a grant. We have to cut back on giving grants to welfare families, single mothers and so on with kids. That is welfare, but this is not welfare, this is a grant to Exxon, Imperial Oil, Shell and Mobil, the biggest companies in the world. We are giving a grant for the defraying of capital costs in the amount of $1.04 billion. As well we are taking up loan guarantees on the capital project of up to $1.66 billion.

Mrs. Sparrow: That's a loan.

Mr. Waddell: Well, Mr. Speaker, do you get a loan guarantee on your mortgage from the government? Do you get a loan guarantee when you go to the bank? Not likely. The government is giving a direct loan in the amount of $300 million, loan guarantees for what is called a temporary financing facility in the amount of $175 million and interest payable guarantees on the $1.66 billion loan guarantee. In other words, if the loan is defaulted, the government has guaranteed that not only will we pay the principle, we will pick up the interest charges as well. Not a bad deal for the international oil companies.

So we are talking about a direct expenditure, a grant of up to $1.04 billion, a $300 million loan, and various and sundry loan guarantees and interest guarantees in the amount of $1.835 billion. That is a total possible government investment of $3.139 billion. That is a tidy sum in anybody's book.

Mrs. Sparrow: Talk about the jobs.

Mr. Waddell: I will come to the jobs. The fact is this is the price that we are paying for hydrocarbon fuels. You can make the argument that we have to have the insurance of having fuels. There is also a suspicion that governments tend to win elections with promises. Projects and megaprojects are among the famous ones: Bourassa, James Bay; the Conservatives and the Liberals before them, Hibernia; the Tories promising the upgrader in Lethbridge and the tar sands project.

I am hearing from the hon. members from Alberta across the way. I am just saying that it costs a lot of money. We are saying to Canadians that we are going to have a tough budget, we are going to have to cut back, we are going to have to pull the purse strings in, yet look at the money that is going to feed this beast, and it is a beast. It is the hydrocarbon beast.

• (1040)

There are alternatives, but before I come to them I would like to talk about the OSLO project. I have just said there is $3.1 billion in the Hibernia project.

Mrs. Sparrow: It will not go ahead unless it is economically sound.

Mr. Waddell: The member says it will not go ahead unless it is economically sound. It is only going ahead because the Government of Canada is putting up the guarantees. It is not the market. The private companies will not do this of their own accord. They want and have received government guarantees. This is not free enterprise.

Let me deal with OSLO. I am trying to be fair. I have already said that we need gasoline. We are still riding in a carbon society, still feeding the beast. OSLO is the megaproject in Alberta. We are talking about a grant for capital costs of up to $425 million and a price of oil production subsidy of $48 million.

I will be consistent. When I was energy critic I advocated a price floor in difficult times and a price ceiling in times that were too easy for the industry and it was creaming it off. But this is what is happening in this project. It is a regulation and it is providing a no–lose situation to the private entrepreneurs who are making

this project go basically. That is a pretty good deal and it is pretty costly to the Canadian public.

We are looking at a $48 million floor guarantee, $425 million in capital cost start-up and loan guarantees of up to $642 million. If you add that up we are looking at another $1.4 billion. So now we are up to $5 billion in two projects. That is billion, not million. This is at a time when the headlines are saying: "Get ready for harsh budget, Tories warn", and the GST is coming in to put a 7 per cent sales tax all across the country. This is what Canadians are paying for and Canadians should know that.

Let us talk about the environment for a moment. It seems to me that there is another energy future we should be looking at.

Mrs. Sparrow: Nuclear.

Mr. Waddell: At the Montreal conference and other conferences there has been a target set for a 20 per cent reduction in carbon dioxide emissions by the year 2005. We are going to need special measures to do that. Now where is the money coming from for that? Here is $5 billion for two megaprojects. The government has cut back on its research into alternate energy measures and we are spending something like $49 million on research and development in energy conservation.

There have been studies which go back ten years. Amory Lovins, in *Hard Energy Paths*, says that nuclear, coal and hydro big energy projects are no longer appropriate. The nuclear industry is pushing hard to come in because it says it does not produce acid rain or greenhouse gasses and so on. The problem is that we do not have any reliable way of disposing of nuclear waste. It is immoral for this generation to hand nuclear waste to a future generation, with vast clean-up costs. People are starting to understand the cost of the environment.

I will give an example. My hon. colleague from Esquimalt knows that recently the government of British Columbia sold land in downtown Vancouver, the old Expo land, to Li Ki-shing of Hong Kong for $100 million. Then it received a bill, which may exceed what they got for the land, to clean up the old industrial wastes in the land. There are a lot of costs out there. People are now environmentally conscious. We are trying to save this planet. We should not be putting $5 billion into megaprojects.

Lovins says that we have to look at alternate ways of getting away from the beast. I think we all agree with that. He says that we should be encouraging hydrogen fuels, which are currently being wasted.

As an example, one pipeline in Alberta is venting off $360 million a year in unused hydrogen. We have to start getting into the 21st century a little ahead of time. We have to use the hydrogen.

Hydrogen can be made with surplus electricity and at sites of natural gas extraction so we can use the Alberta natural gas. Hydrogen creates water vapour when it is burned. It is a good transportation fuel. Now is also the time when we have to retrofit all isolated communities with solar, wind or small-scale hydro projects. We have known this for years but now the reality is coming in. We cannot feed this beast any more. We have to come up with alternate energy paths, not $5 billion into a vast megaproject.

I want to address the project itself. This bill provides inadequate job guarantees for Newfoundlanders for the public money that it is spending. Many members of the House who are not from Newfoundland, that wonderful province, travel there. It seems to me that for so many years people in Atlantic Canada have been led down the garden path or, if I can mix the metaphor, have been led to believe that there is a pot of gold at the rainbow. There is always a pot of gold at the end of that rainbow and Hibernia is the latest. It is suddenly going to turn a have-not province into a have province.

We all sympathize with that, especially people from western Canada. The former premier, my friend from Esquimalt, made the gas industry in British Columbia into a public marketing agency and used our resource to pump hundreds of millions of dollars into the provincial budget and then redistributed that money to the people of the province. That was good government. So we westerners know how to use heritage funds and we sympathize.

Let us not lead Atlantic Canadians down the garden path. Let us not put out Hibernia, with all the money going into it, as a project that will suddenly turn a have-not province into a have province. The real future of a province like Newfoundland is still in the harvesting of the fisheries.

In my view, for the public money that goes into Hibernia, the bill still does not guarantee jobs for native Newfoundlanders. I submit that when the committee is considering this bill it should look at what was done by

the Scots in Aberdeen and how they managed to get jobs for local people there.

Look at what the Norwegians do. Look at the requirements. Somehow the Canadian government has a mind fix that we cannot require jobs for Canadians because that is against the international marketing system. Look at the way the Brits did it with the North Sea oil and the way the Norwegians did it. They were much more sophisticated than we are. They guaranteed jobs for their people.

I say this bill provides inadequate job opportunities for Newfoundlanders in terms of the public money that is going into the project.

Second, putting so much money into one project will inevitably take away other moneys that could go to Atlantic Canada for economic diversification. That is what Atlantic Canada needs, not one big energy megaproject but a number of projects that can work with the resources in Atlantic Canada.

The government says it will leave that up to the market. If you read the speech made on December 18, 1989, in this House by the energy critic of the New Democratic Party, the hon. member for Edmonton East, sets out in detail the cost of this project, the fact that jobs have to be guaranteed and the fact that there has to be other economic diversification for Atlantic Canada. If we do not say that to the people of Atlantic Canada we are not telling them the truth. We are saying that Hibernia is the pot of gold at the end of the rainbow and it just does not fit in.

• (1050)

I want to return to the environment briefly before I conclude. As I said, Canadians have added a new criterion to deciding on energy projects and that is the environment. We are requiring, and the courts are requiring now, that every project be looked at in terms of its environmental impact and so on. This project in Hibernia will have to be looked at in that regard. There are some vast dangers out there.

We think of the icebergs out there and remember the *Ocean Ranger* oil rig. I remember being in the House when the minister stood up on that very sad day and announced the loss of those workers on that oil rig. It is a very dangerous area. When you have an accident it is pretty hard to cap things 400 miles out in the Atlantic Ocean off Newfoundland.

One has to go back to the Brundtland report, the United Nations report which is now in the forefront of our criterion for considering environmental projects. Brundtland said, in Our Common Energy Futures, choosing an energy strategy inevitably means choosing an environmental strategy. That is the key.

Dare I quote the Prime Minister? He said at the Changing Atmosphere Conference in Toronto: "The world is coming to recognize what we believe to be self-evident, that development and environmental protection are mutually enforcing, not mutually exclusive. Our economic activity must be increasingly compatible with today's environmental facts of life."

Here is an energy megaproject, with is over $3 billion in loans, guarantees and so on, at a time when we do not have much money in this country. Is that where we should be putting our money? Is this the way to deal with carbon in the atmosphere? Are there no other alternatives?

We in the New Democratic Party believe in the greening of Canada and the greening of the world. We are going to deal with these projects and these bills with questions and comments in the House of Commons from the point of view of being a newer, greener party.

I would like to move an amendment to the motion, seconded by the hon. member from Esquimalt—Juan de Fuca. I move:

> That the motion for second reading and reference to the Standing Committee on Energy, Mines and Resources of Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto, be amended by deleting all the words after the word "That" and substituting the following:
>
> Be it resolved that Bill C-44, an act respecting the Hibernia Development Project and to amend certain Acts in relation thereto be not now read a second time because:
>
> (1) this House is of the opinion that simply giving huge amounts of money away to any private sector development without securing equivalent equity in such project for the people of Canada is wrong in principle;
>
> (2) this House is of the opinion that pursuing further fossil fuel megaprojects in the absence of concerted government action to reduce CO2 emissions in Canada generally is wrong in principle; and,
>
> (3) this House is of the opinion that proceeding with the Hibernia project in the absence of sufficient guarantees of consequent job opportunities and economic development prospects for the people

of Newfoundland and Labrador and of the Atlantic region generally, is wrong in principle.

Mr. Deputy Speaker: I will reserve the decision as to the admissibility of the motion and report to the House right after Question Period. In the meantime, on a point of order, the hon. member for Portage—Interlake.

* * *

POINT OF ORDER

COMMUNICATIONS AND CULTURE COMMITTEE

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I rise today on a point of order regarding media stories in this morning's newspaper reporting on a recent meeting between myself and the President of the Canadian Native Arts Foundation. The meeting was arranged to discuss an appearance before the Commons Committee on Communications and Culture, which I chair.

It has been reported that during the meeting I made comments which, if true, would have offended our native people. I did not make the statements attributed to me and I clearly did not intend to give offence to any individual or group.

My support for native programs and native people's aspirations are well known to my colleagues and within my constituency and I, in no way, want to leave the impression that it is otherwise. I strongly deplore any misunderstandings my comments may have generated, and if any person took offence then I sincerely apologize.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I raised this matter this morning on a point of order. I am pleased that the hon. member has come to the House and made a statement, but I must say that I feel this is not adequate. All too frequently the member, as chair, has embroiled himself in controversies and I think we have to hear from Mr. John Kim Bell. He does not have—

Mr. Deputy Speaker: I must rule this out of order. I realize the member raised the question this morning. I will give the floor to the member on that matter later on during the day, not now. Questions and comments.

HIBERNIA DEVELOPMENT PROJECT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Epp that Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto, be read a second time and referred to a legislative committee.

Mr. Harvey (Edmonton East): Mr. Speaker, I rise on a point of order. As you consider the admissibility of the amendment proposed by the hon. member for Port Moody—Coquitlam, might I direct your attention to the fifth edition of *Beauchesne's Parliamentary Rules and Forms*, at page 226, citation 744(1) and 744(2) governing the content of reasoned amendments, and citation 745 governing aspects of the admissibility of reasoned amendments.

Mr. Deputy Speaker: We have about two and a half minutes for questions and comments. I recognize the member for Saskatoon—Humboldt and I ask him to be brief.

Mr. Hovdebo: Mr. Speaker, I would like to ask the member a sequence of questions. I will ask them all together. They are three very short questions.

First, would private enterprise have gone ahead with this had the guarantees and the government assistance not been in place? Second, could the member give us any indication of what the price per barrel of oil would have to be for private enterprise to have gone it on their own? And third, does it mean that indirectly, or directly if you wish, we are guaranteeing that price per barrel to the corporations that do go into this project?

Mr. Waddell: Mr. Speaker, the member's question is exactly on point. It depends. Private enterprise would not go into this alone because the price of oil is too low. I never could get out of the Minister of Energy, even with repeated questions when I was energy critic, what market price for a barrel of oil was required for Hibernia to be economically viable without government subsidization. They said it was between $30 and $50 a barrel.

Mrs. Sparrow: That's too high. You know that.

Mr. Waddell: Well, we do not know whether it's high or low. Certainly the price of oil right now is too low and so we have a government subsidized project, which still may

not go ahead. The hon. member is right. In fact, the government is guaranteeing the project and guaranteeing an economic price for the project.

Mr. Deputy Speaker: It being 11 o'clock we will proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

STATUS OF WOMEN

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, Supreme Court Justice Bertha Wilson has made a statement of profound importance to relationships between men and women and to the very foundation of our values as a society. She is right when she says our laws and judicial system discriminate against women and that they fail to respond to women's values of mutual obligations, caring for one another and preserving relationships.

• (1100)

She has put her finger on the root cause of pervasive injustice against women and children, the reason courts treat theft more seriously than wife beating or child abuse, why court ordered support payments leave mothers and children in poverty and then are ignored in 85 per cent of the cases, and why governments can play games with pay equity and pension justice even for its own employees.

To paraphrase Justice Wilson, it is impossible for men to respond even conceptually to the vulnerability women feel because it is outside the realm of their personal experience. Canadian society cannot wait while women make their way in equal numbers into the Parliaments and courts to change this system. We will only be the richer if our government acts—

Mr. Deputy Speaker: I regret to interrupt the hon. member, but her time has expired.

* * *

[*Translation*]

MEECH LAKE ACCORD

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, a recent survey of my constituents revealed that 63 per cent of respondents felt that the Meech Lake Accord was important for Quebec and Canada, while only 16 per cent disagreed. Twenty-one per cent of respondents indicated they had no opinion.

Mr. Speaker, the results of this survey show that the people of Témiscamingue care about Meech Lake and want the Accord to be ratified so that Quebec will grow within our Canadian federation.

Mr. Speaker, I also see a very clear message to opponents of Meech Lake that they should weigh carefully the consequences of their actions in the months to come, if they do not want to jeopardise the unity of this country.

History might judge them very harshly. Yes to Meech Lake means yes to Quebec and yes to Canada, and it means saying yes to a country that is stronger because it is more united.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I want to draw to the attention of the House the latest in the government's campaign to sell the universally unpopular goods and services tax.

Canadians are already being bombarded with a $14 million GST propaganda campaign. Now the ultimate in insults arrives in the 1989 tax guide, a GST insert that is purely a propaganda tool.

The insert states that the GST will reduce the deficit, but the Minister of Finance has repeatedly claimed that the GST will be revenue neutral. It states that the GST will make a fairer tax system, yet the GST is regressive and hurts lower and middle income earners.

The insert states that the GST will pay for social programs, but this government continues to reduce social spending. It states the GST will help lower and modest income earners, but seniors and the poor simply do not believe this.

Surely a person filling out an income tax return should be protected from the Mulroney government's political hypocrisy. Can this government not at least let people do their income tax in peace?

S. O. 31

NATIONAL UNITY

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, these are challenging and stimulating days to be a Canadian. We are living the historic reality of building our nation Canada and we must build it together in our two official founding languages and in our many ethnic cultures. For me, that is the essence of being a Canadian.

To achieve true understanding about our diverse identity and to generate the kind of tolerance and mutual respect which Canadian unity will demand, we must constantly strive to know one another.

In my riding of Fredericton today, a small citizens' committee on language and culture is meeting regularly to encourage continuing dialogue between English and French neighbours. It is succeeding, slowly but surely, to enhance a spirit of common cause among its members which will spread throughout our city.

From such small candles, larger lights will glow. I recommend similar initiatives for true communication among Canadians in every community across this country.

* * *

BILINGUALISM

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, in the past week or two there has been a lot of talk about the cost of bilingualism. What are the facts?

The whole federal bilingualism program costs less than one-half of 1 per cent of total federal spending.

Again, one-half of 1 per cent is the total amount for the whole federal bilingualism program, including contributions to help the provinces deliver minority language education and services.

The new Ontario French Language Services program entails no costs whatsoever for municipalities. Moreover, the Ontario government estimates that it will spend about $11 million a year to deliver this new program. This is about three one-hundredths of 1 per cent of Ontario's total spending.

To put it another way, federal bilingualism program costs every Canadian man, woman and child 6 cents per day.

The new Ontario program will cost each resident of Ontario three tenths of a penny per day. Add the federal and Ontario programs and you get six and one-third cents per day for each Ontario resident. Is an investment of six and one-third cents per day too much to keep our country together?

* * *

CANADIAN FILM INDUSTRY

Mr. Doug Fee (Red Deer): Mr. Speaker, our Canada is a great country and Canadians are a capable and creative people.

On Wednesday night of this week I was privileged to join with some distinguished Canadians, including members from both sides of this House, at the Museum of Civilization for the premier showing of an all-Canadian film *Divided Loyalties*, the story of Joseph Brant. This 100 per cent Canadian film is a tribute to a great Canadian loyalist. Produced by Baton Productions and Mr. Tom Gould, it is an example of the quality that can be created by Canadians. The film is a tribute to the actors, technicians and financiers, all of whom are Canadian. They deserve congratulations for an excellent production.

* * *

TRADE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, this week Moose Jaw Packers was forced to stop shipping pork to the United States due to the U.S. countervail and U.S. inspection harassment at the border. This has meant that half of the plant's employees have lost their jobs. This affects much more than Moose Jaw. Intercontinental Packers of Saskatoon have cut their shipments of hogs to the U.S. from 5,000 a week to 1,500 and are contemplating ceasing shipments altogether.

In fact, in 1988, 53 per cent of hog exports were to the U.S. and represented some $410 million in trade. These trade dollars are now in jeopardy. Not only are Canadian producers and processors upset, but Clover Dale Meats of Minet, North Dakota have stated that they prefer Canadian hogs to American hogs.

This government said that the free trade agreement would be good for Canada, yet Moose Jaw Packers is forced to search for markets 1,200 miles away in Vancouver and 2,000 miles away in Ontario, instead of 400 miles south in Minet, North Dakota in a market that wants Canadian pork.

There is nothing free in this free trade agreement for Canadians. It is time to tear up this agreement right now.

* * *

SMALL BUSINESS

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the small business community continues to be a vital component of our national economy. Statistics show that between 1978 and 1987 over 1.5 million net new jobs were created across Canada through small, independent business ventures.

These Canadian small businessmen and women continue to demonstrate that initiative. Coupled with sound planning and a lot of hard work, they can be successful and prosperous all across our country.

I cite Dollard Landry's company, Atlantic Mini Bar Inc., which is a new and thriving business in Moncton, New Brunswick as a prime example.

Small business, without hesitation, continues to be the backbone of our economy. It is one of the greatest sources of new ideas, opportunities, wealth and employment. Like all members, I wish to pay tribute to the men and women across Canada who have and will embrace the bold Canadian spirit of small business entrepreneurialism.

* * *

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, Dr. Leslie Harris, in his recent report on the Atlantic fisheries crisis, stated that commercial extinction occurs when it is no longer profitable to go after fish. We think we are fast approaching this point.

No one has accurate figures, but the federal Department of Fisheries estimates that the harp seal population has grown from 2 million to about 3 million in the past six years. Estimates of how much these seals eat, whether it is herring, capelin, cod, crab or other commercial fish, is placed between 3 million and 10 million tonnes a year. It is estimated that 90 per cent of the fish they consume are commercially important.

No matter how you do the mathematics, it is apparent that seals catch between two and seven times as many fish each year as the entire Canadian fishing fleet and it costs the fishery close to $90 million a year.

I join many others in publicly calling on the Government of Canada to implement now, immediately, a cull of the seal herd population using appropriately sized vessels and using idle plant capacity to process the seal meat. This in itself is not enough. To complement this, the government should initiate an aggressive public relations campaign aimed at countering any future boycotts of Canadian products at home and abroad resulting from the seal management issue.

* * *

MEECH LAKE ACCORD

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I rise today to draw to the attention of the House the support of the English community of the Quebec metropolitan area for the Meech Lake Accord.

By a resolution passed on Monday, January 29, the association Voice of English Quebec stated that it was in favour of supporting the Meech Lake Accord.

Voice of English Quebec stated also that the accord brings the province of Quebec fully into the constitutional family and urges the First Ministers, the Government of Canada and the provinces to take all necessary steps to ensure the passage of the Meech Lake Accord and to commit themselves formally to a process for further constitutional renewal.

• (1110)

The support of this important group from Quebec for the Meech Lake Accord proves once more that the accord must be ratified as is, without delay, in the best interests of all Canadians.

S. O. 31

RADIO CANADA INTERNATIONAL

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, the Department of External Affairs has told Radio Canada International to disband its German broadcasting system in favour of switching to Arabic.

Events have changed radically in Europe. It means that that has become a poorly timed decision, to say the least. It is important to note that the German service is not only broadcast on shortwave, the service is also picked up between 6.30 and 7 p.m. daily on a local Berlin FM station. This enables us to present a Canadian perspective to the people of Berlin. It comes out of an old post-war arrangement the allies made. We do this through the British Broadcasting corporation. This is really something that we have. At a time when there is talk of German reunification, this access to people in East and West Germany should not be abandoned.

We have a large German-Canadian community that is interested in this as well. I have written to the Secretary of State for External Affairs about this decision, asking him to reinstate the German service of Radio Canada International.

At this time in Europe, with the momentous events that are happening and with our access, we should not give that up.

* * *

GOODS AND SERVICES TAX

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, a few days ago a member opposite stated that a car dealer in his riding was concerned about how the GST would affect his business. He clearly does not understand that the principle of GST is to completely relieve Canadian business of the federal sales tax burden.

As a new car dealer for 15 years, I see very tangible positives for dealers in several ways. First, inventories. Dealers carry large volumes of inventory. The GST will reduce the dollar amount and the cost of carrying that inventory.

Second, operating costs. Any business that consumes materials, tools, supplies and facilities, will see their costs of operation go down.

Third, and probably most important, the benefits to purchasers. All customers will see the after-tax price of vehicles go down.

In particular, farmers, fishermen and commercial customers in the system will benefit even more because they are relieved completely of both the FST and the GST, about a $2,000 reduction on a $20,000 pick-up.

As well as the positives, of course, there are always some negatives, mostly relating to transitional issues. These are now being addressed by the Department of Finance. By any standards, the positives of GST far outweigh the negatives in this business as in other small businesses.

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[*Translation*]

POSTAL SERVICES REVIEW BOARD

Mr. Don Boudria (Glengarry—Prescott—Russell): In June 1988, the Conservative Government announced it would establish a Postal Services Review Board that would be responsible for examining changes in postal rates and postal services and submitting recommendations to the government.

Last Tuesday, however, when the chairman of the relevant committee appeared before the House committee, he told us that so far, his committee's experience and the consultation process had been disappointing. He added that after a full year of operating as an advisory body, the Postal Services Review Committee felt that if the review process did not improve substantially during the current year, the government should consider amending the proposed status of the Postal Services Review Board and making it a regulatory body.

On behalf of the Official Opposition, I invite the responsible minister to table forthwith a bill that confers real powers on the Postal Services Review Board, so that it can discharge its responsibilities and prevent the Canada Post Corporation from raising rates and reducing service.

[*English*]

NEW DEMOCRATIC PARTY

Mr. Howard Crosby (Halifax West): Mr. Speaker, we know that when democratic rights and privileges are widely abused, anarchy will result.

We also know that when lawmakers circumvent their own rules, they promote the very disorder the rules were intended to prevent. The planned and deliberate actions of the New Democratic Party to thwart the rules and orders of the House in pursuit of their own ends is exactly the kind of conduct that creates disorder and breeds anarchy.

Do hon. members want examples? The member for Nickel Belt went to a flea market in Nova Scotia to gather anti-GST petitions in defiance of the ancient rule of parliamentary petition.

The NDP House leader announced on TV his intention to stall and delay House business. This is conduct contemptuous of the parliamentary process. No wonder *The Ottawa Citizen* warns the NDP not to stall Parliament and states: "Play by the rules, not with the rules. All Canada is watching".

* * *

SCHIZOPHRENIA

Mr. John Manley (Ottawa South): Mr. Speaker, there is an illness that is affecting one in a hundred Canadians but that no one seems to want to talk about. That illness is schizophrenia, a disease which costs Canadians over $3 billion in direct health care and support costs each year. This brain disease often leads to hallucinations, thought disorders, loss of emotions and an inability to function in a work environment.

Federal funding for schizophrenia research is only $2 million per year. The quality of research is excellent and research results have greatly improved the outlook for discovering the causes and methods for preventing and curing this terrible brain disease. More needs to be done. Including private funding, cancer research in Canada receives $300 per patient, schizophrenia receives $17. The progress in combating schizophrenia is now just as possible as for cancer.

I urge the government on behalf of the thousands of Canadians afflicted by this disease and the families and friends who share their suffering to do more to help these physically able individuals to become fully productive members of our society.

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the minister for employment. Today's statistics show that the unemployment rate has now increased for four consecutive months to 7.8 per cent, with over one million Canadians unemployed and major plants closing all over this country.

In these circumstances, I ask the minister when the government will change its hands-off policy to counteract this disturbing trend in the economy, to change its policy to stimulate economic growth and save these jobs, or are the government and the minister willing to accept the 8.5 per cent unemployment rate predicted in the Minister of Finance's budget last April? Is the government going to put its head in the sand and let thousands of jobs go down the drain in this country?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I suggest to the hon. member that for the month of January, he should read the statistics for what they are. The number of new jobs increased by 42,000. The reason why there was a marginal increase in unemployment was that the number of people working increased. I think the performance is good. I would put our record of job creation against that of the former Liberal government any time.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, we are not talking about a marginal increase in unemployment. We are talking about a four month trend in which unemployment has increased substantially. I remind the minister that in 1981-1982, which he and the Prime Minister often refer to, the western world was in a recession. The Liberal government did something about it and changed that situation around, which was evident in 1984.

This government is willing to tolerate high interest rates, a declining trade situation, high employment and at the same time is bringing in new taxes which economists say will accelerate the recession. How can the minister justify this blend of policies at this time as we

face a recession? How can he justify that trend? How can he be so callous toward the unemployed in this country?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, this government recognizes that lower rates of interest would be good for the economy. That is why it supports the Bank of Canada in its policy to bring interest rates down in a way that will allow them to stay down. We cannot work on this artificially. We support the Bank of Canada's approach to fight inflation. Inflation is the threat. If we did not act in this way, we would not be acting responsibly. Again, without any hesitation, I would put our record on this side of the House against that of the former Liberal government.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, since 1984 the Prime Minister and the Minister of Finance have claimed credit for every job created in this country as if the private sector and the international market-place had nothing to do with it. They had all the answers. That was easy in an expanding economy, but the real test of a government's policies is in a declining economy. If they have the answers to these problems, I ask the minister to show them to us today, and reverse this four-month trend of unemployment. What is the minister going to do about it? What new policies is he going to give the Canadian people?

• (1120)

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I think we are doing exactly what needs to be done. We are taking very tough decisions. GST is one of them. The terrible tax on the Canadian economy, the 64-year old manufacturers' sales tax which destroys jobs, is being removed. For 50 years groups have said that Canada must change this system. We are doing it. We are making sure that inflation does not run away like it did in the early 1980s when interest rates were above 20 per cent and inflation rates above 10 per cent.

* * *

YOUTH PROGRAMS

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, this question is directed to the Minister of Employment and Immigration. This morning the minister confirmed fears anticipated by the youth of our nation. At a time when they are faced with higher tuition fees, escalating education costs, an unbearable debt load and devastating double digit unemployment, the minister in her wisdom decided to respond to this already grave situation by cutting the seed program by 35 per cent and wrongfully denying summer job opportunities for young Canadians. How can the minister justify this action?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am very proud of the initiative that we announced today. It is a stay-in-school initiative. As the hon. member knows, people who are on our social welfare system and back on UI are very often people with a grade 10 education. If we can convince them to stay in school until they are in grade 12, their chances of better employment are doubled. We think it is very important that our young people, looking at the future for them and the kind of lives they can lead, stay in school. That is the first point.

The second point is that last summer in many areas there were more jobs than there were students to fill them. What we have tried to do is look at an area of greater need. There will be a regional balance to the summer employment program so that we continue to be sensitive to the needs of students where employment conditions are not so good.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, my supplementary question is for the same minister, whose rhetoric is quite unacceptable. Not only is the minister's policy direction misguided, but it steals money and opportunities away from post-secondary education students to pay for high school drop-outs. How can the minister pit two needy groups of our society, the post-secondary education student and the high school drop-out against each other? How can she morally justify that? Does she not know that both need our help?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would certainly like to remind the hon. member of how we feel with regard to our young people that the youth unemployment rate in 1984, when his party was in power, was 18.2 per cent. The youth unemployment rate now is 12 per cent. That

means that young people and students are considerably better off today than they were then.

I would also point out that there are a greater number of high school students in need across this country than there are at the post-secondary level. The hon. member should be congratulating us. If we cannot keep people in school, they are not going to achieve the post-secondary level. It is very important that those young people be encouraged to stay in school.

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THE ECONOMY

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is directed to he or she who will answer today for the Minister of Finance. Yesterday the interest rates hit a five-year high. The Conference Board has observed that the economy is in the same state as it was in 1981. In Windsor the focus of the automobile industry in Ontario, accountable for 140,000 direct jobs and responsible as the engine of growth for the economy over the period of the last seven years, the unemployment rate has hit 13 per cent, chiefly because of lay-offs in the automobile industry. That was the first fiscal sign in 1981 of the downturn that followed. My question to whoever is speaking for the Minister of Finance is this: Is this really the time to be talking about a tough budget that is going to cause yet more unemployment and economic troubles in this country?

Some hon. members: Hear, hear!

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I remind the hon. member that there are no miracle policies. There are difficult decisions to steer the economy on a good course. This is the course we are following.

We want to be sure that inflation does not run away from us. This would be devastating for members of the hon. member's riding and for all Canadians. We know that we need to bring interest rates down. We must do that by fighting inflation, by making sure that we can bring them down.

In mid January we saw the first sign that things were easing up a bit. The pressures in the economy which cause these rates were diminishing. We brought the rate down to some extent, but it is a very volatile situation. We need to manage it in the best interest of Canadians. In the meantime, I think our policies are the only good policies that can be followed. Over the years they have resulted in a a very good performance compared to any other industrial country.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, it is perfectly clear that everybody knows that the interest rate policy is not in the best interests of anybody. It is not in the best interests for the Minister of Finance to be communicating that there is going to be a tough budget that is going to affect the middle class and the poor and the regions yet more. In the province of Quebec the unemployment rate has gone from 9.5 to 10.5 per cent. This is one of the regions that will be most affected by Bill C-21.

I ask the minister whether it is not time to withdraw Bill C-21 as a part of a whole series of actions that ought to be taken to address the fact that we face not inflation, but high unemployment rates because of an economic downturn that will affect a great many people in this country.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I have said in this House before, Bill C-21 is designed precisely to help those who are the first hit in an economic downturn. Those who need training are thrown into unemployment quickly. The workers we have spoken to and the surveys we have conducted among unemployed workers indicate that the reason they cannot get jobs is they do not have the skills.

Our job as a government is to make sure that they do have the skills. That is why we need Bill C-21 and need it quickly. That is why we have the stay-in-school initiative that I announced this morning, so that young people in Canada will have the right high school education in order to have job training for the future. We are focusing on regional development because job training and regional development go together. That is what this government has done. It has taken tough decisions on those things and they are the right ones.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the government is adopting policies that are going to increase the unemployment rate. It has a bill that will lengthen the qualifying period and shorten the payment period. Then the minister has the nerve to talk about the stay-in-school initiative. The Challenge program is being cannibalized to introduce a half-baked program that the minister could not even describe in

detail this morning. Is that the answer to the unemployment situation we face in the future? That is outrageous.

I ask the government again to reconsider this cockamamie, bucket of programs that have no relationship to the realities of this country. In the portions of this country on which this economy depends, the unemployment rates are going up. I ask the government to lower the interest rate policy, to do something about changing the budget direction. It is going to be hurtful. Increase the government's role in helping those who will be affected.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am sure there was some kind of question in there. I want to correct the impression about the stay-in-school initiative that was announced today. I am sure if the hon. member has done his homework, he knows that federal labour market programs and services now directed at in-school youth are going to be increased. Those are programs that are working. They include co-op education, work orientation workshops, Canada Career Week and counselling services.

• (1130)

In addition, within my own department the job entry programs under Canadian Jobs Strategy are directed at our young people as well. We spend within our own framework alone $700 million on the young people of this country.

That is money well spent. We know that they will be better educated. They will be better trained, and they will have much better and more stable futures with the kinds of programs we are providing than with the kind of crap the NDP talks about.

* * *

COMMUNICATIONS AND CULTURE

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, given the paucity of senior ministers over there, I will direct my question to whom it may concern. I want to raise the serious issue involving the chairman of the Standing Committee on Communications and Culture.

John Kim Bell, the first native Canadian to become a symphony orchestra conductor, has said that the chairman of the Communications and Culture Committee has called native Canadians lazy. This is a very serious matter and something which cannot be ignored.

I am aware of the fact that the hon. member has already denied making the statement. He has said that the statement is inaccurate.

However, the government cannot escape its responsibility. I want to know where the government stands on this issue and whether the government accepts the member's statement.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, sooner of later perhaps the hon. member will recognize that his responsibilities as a member of Parliament require a little more discipline and attention to detail than simply being a talking head on television.

He will know that the member in question took the first opportunity today to rise in the House of Commons to make an apology and, among other things, to say on the record of the House of Commons that he did not make the statements attributed to him.

The hon. member will know, if he knows anything about Parliament, that there is an elemental rule here which says that the word of a member is accepted. That finishes the matter.

Some hon. members: Hear, hear!

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, if the minister was listening closely, he would have heard me quote the hon. member saying that he denied making the statement and that the statement was inaccurate. I quoted the hon. member, and I am not going to take any lessons from the senior minister.

Mr. Cooper: You should.

Mr. Harvard: My supplementary questions is this—

Some hon. members: Oh, oh!

Mr. Harvard: Perhaps the jackals would just shut their mouths for a moment.

I think there is a lesson for all of us. I think there is much too much loose talk in this country—

Mr. de Cotret: We are hearing some of it right now.

Mr. Harvard: —and I think it is incumbent upon all of us to get a grip on ourselves.

The chairman was elected on the strength of the majority of the Conservatives on the committee, obviously on the recommendation of the government. Despite the hon. member's denial, does the government still support the chairman in that role as chairman of the committee?

When will the government stop the hon. member from always putting his foot in his mouth?

Mr. Deputy Speaker: The first part of the question is out of order. There were two parts to it, and the right hon. Secretary of State for External Affairs may answer the second part.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the hon. member believes that there is too much loose talk in the country, I can suggest a direct contribution he might make to solving the problem.

There is a rule in the House with respect to accepting the word of the member. The member has given his word and it therefore must be accepted.

Therefore, the government does not intend to act on an allegation which has been denied following the proper procedures in the House. This government, as a product of the House of Commons, intends to respect the rules and traditions of the House of Commons.

Some hon. members: Hear, hear!

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[*Translation*]

TAXATION

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I would like to get back to the Minister of State (Finance) and ask him this: If the current sales tax is so bad for employment, why did the government increase this tax four times in the last four years? And since in the past, the government took the credit when unemployment rates went down, why does the same government refuse to take the responsibility for the present increases in the unemployment rate? Why is it so indifferent to the people of this country?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, this government is certainly not indifferent to the circumstances of Canadians and Canadian workers. In fact, we have had policies that were central to the economic development of this country. I am not going to claim that all the good things that happened in Canada were a direct result of the government's actions, but they would certainly not have occurred if the environment had not been favourable.

We increased the existing tax because it is one of the pillars of our system for raising revenue, a pillar that has its faults and has been around for 64 years. However, when we saw the impact it had on a country that must become increasingly competitive, we decided, considering our general development strategy which included the Free Trade Agreement and other measures, to introduce this tax reform which is not very popular but necessary, difficult, but good for the country.

Some hon. members: Hear, hear.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, there are some serious contradictions in its policy when the government admits that the present sales tax is one of the pillars of its economic policy and at the same time is saying that it is a silent killer of jobs in this country. My supplementary for the Minister of Employment and Immigration is as follows: If the government is not indifferent to Canadians, why will it cut the student summer employment program this summer and what is the government going to do for those students who used the program last summer? What is the government going to do for this important group?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I pointed out in my earlier answer, the program will remain regionally sensitive in areas where there is higher unemployment among students.

In the meantime, in parts of southwestern Ontario, not all of it—and we have gone through this very carefully—there are certainly places where there were more jobs than there were students to fill them.

We believe it is a higher priority for the country, and I think the public would agree with us, to ensure that high school students remain in school in order that they can then qualify to be in the post-secondary stream about which the hon. member is so worried.

STATUS OF WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, my question is for the minister responsible for the status of women in Canada.

All through Canadian society we see negative attitudes and sexism rampant toward women. Last night, Supreme Court of Canada Justice Bertha Wilson said that "some aspects of criminal law in particular cry out for change since they are based on presuppositions about the nature of women and women's sexuality which in this day and age are a little short of ludicrous".

She cited studies that show sexism is the underlying premise in many judgments and that gender based myths, biases and stereotypes are deeply embedded in the attitudes of many male judges.

Will the minister consult with the Minister of Justice? Will she make input into the inner cabinet of this government and insist on training programs for judges? Will she insist that the Minister of Justice work with the provinces to ensure that judges receive education and training in women's equality issues, in sexual assault issues against women and wife battering? Will the minister do that?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I can assure the hon. member that this is something I regard as an ongoing part of my job. I have been doing it from the beginning.

I point out to the hon. member that probably she and I are in some agreement on the subject. We understand the references Justice Bertha Wilson made. We all have to work toward making some of those changes.

Since we have been in office this government has not only agreed that women, for example, should be better represented in the judiciary, but we are working very hard to achieve that.

We have made a total of 222 new appointments to the bench and elevated 66 judges to higher judicial office throughout the land. Of the new appointments, 37 have been women or 16.7 per cent of the total. Clearly we would like to improve on that, but it is a fairly good record so far. More significant, 16 of the 66 judges elevated to higher office or 24 per cent have been women.

In addition, we are following with interest the judicial education centre which, in its early formulative stages, the government was helping to promote and encourage with the judiciary in Canada.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I appreciate the slight progress in appointing women judges and women into positions of authority, but it is very slight. The record speaks for itself.

• (1140)

A judge in Quebec has said: "Rules are like women. They are meant to be violated". A judge in the North-west Territories said sexual assault was not as serious there because "women get drunk and men see a pair of hips and help themselves". A judge in B.C. blamed a three-year old girl, a child, and called her sexually aggressive. She in fact was seen as responsible for her own assault. A judge in Nova Scotia was removed from the bench for telling women that they should obey their husbands and go back to them.

It is just not good enough. The time for action is now. It is past time for real action.

Will the minister consult with the Minister of Justice? Will we see real action for mandatory training programs for judges on the issues of women: women's sexuality and equality for women in the judicial system?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I have already said that I regard this issue as an important part of my job.

I think it also goes back much further than that. The audience whom Justice Bertha Wilson was addressing on this topic was a very important audience because these things start in law school. They probably start in high school. They do not all of a sudden spring into place when people are on the bench. I am sure the hon. member would agree with that, as would the Minister of Justice.

In the meantime, we are making better progress than has been made in the past; not as good a progress as I would like to see us make in the future or that this government, the Prime Minister and the Minister of Justice would like to see us make.

NATIONAL REVENUE

Mr. Doug Fee (Red Deer): Mr. Speaker, my question is directed to the Minister of National Revenue.

The people of Red Deer, and I am sure all thinking Canadians, are becoming increasingly concerned about the need for deficit reduction and spending restraint. They are rightfully concerned about a report suggesting that the government will need an army of bureaucrats to administer the proposed goods and services tax.

In a time of restraint and given the Canadian taxpayers' desire to see a stronger effort in reduced spending and tax fairness, why do 3,000 or 4,000 tax police and collectors have to be hired to administer the proposed goods and services tax?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as the hon. member knows, this government has continued to reduce government spending five years in a row, to the point of reducing the deficit by $10 billion.

Mr. Manley: $10 billion, that is not out of the Department of Finance.

Mr. Jelinek: In so far as people required to administer the GST is concerned, late last year I predicted a maximum number required of 3,900 people, and that was before discussions progressed with the provinces—and I am pleased to announce that those discussions are progressing very well—in order to eliminate any overlaps or duplications.

Let me make one thing clear, Mr. Speaker: there are no tax police. Of the total amount of people required to administer and prepare for a smooth launch of the GST, only 11 per cent of those people will be tax collectors. The rest are there to plan, to reach out to the business community, to provide technical and information assistance, and to prepare and plan GST credits for low and modest income Canadians and senior citizens. Those are not tax policemen. They are people to process payments, claims and refunds to businesses and to assist the small business community to plan in an orderly, smooth, efficient and simple fashion.

That is what this is. It is a service. Once and for all let us put it to rest: there are no tax police.

Some hon. members: Hear, hear!

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EAST COAST FISHERY

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, my question is for the Secretary of State for External Affairs who is chairing the special cabinet committee on the east coast fishery.

The 1989 Prince Edward Island lobster season saw prices drop drastically and inventories of frozen lobster products reach peak levels. Just recently the U.S. passed legislation to keep lobster out of its market. Fishermen in my riding want to know what this government is doing to develop new foreign markets for their lobsters.

Can the minister tell this House today if this problem has been identified to his committee and, if so, what steps have been taken?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question was addressed to me in my chair of a committee dealing with a specific problem. It has nothing to do with the implications of reductions in the resource of the northern cod. We are focusing on that problem and its implications for the fishing communities affected.

The government takes very seriously the implications for the lobster fishery.

My colleague, the Minister for International Trade, through his responsibilities in that department, is seeking to determine whether there are other viable outlets and markets for the Canadian lobster fishery.

I can assure the hon. member that it is a matter of as high priority to us as it is to him.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, if this government does not take action now many of my communities will end up like Canso. Surely this government must have learned from the costly mistakes it made in the northern cod.

Can this minister make a firm commitment today to the P.E.I. fishermen that this government will develop new markets for lobsters before it is too late?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can certainly make a commitment that we will try to develop markets for P.E.I. lobsters.

The hon. member realizes that there are some limitations upon what even this government can do. That is one of the difficulties we are encountering with the question of the northern cod.

The fundamental problem is not a problem relating to policy. It is a problem that has to do with overfishing, that has to do with the disappearance of a resource, that has very little to do with mismanagement, unless we go back to an earlier time before this government was elected when decisions were taken by a former Liberal government to give away large amounts of Canadian fish that should never have been given away.

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TRADE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to raise a question with the acting minister of trade.

There is a report out of Washington this morning that a representative of the U.S. Commerce Department has said that any effort by the Canadian government to cover losses of the fishing industry, or any attempt to provide a subsidy which does not meet the test of specificity, would be contrary to U.S. trade law.

Is the Canadian government prepared to declare today that we have the sovereign right to support and provide any subsidy to any industry, the fishing industry included, and to say today that we will cover any costs encountered by the fishing industry in a countervail case taken by the Americans?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member was properly precise in identifying the source of that comment. It was a comment by an official in the Department of Commerce in the United States.

There has been no investigation. There is no countervail action. It is a matter of opinion. Usually those opinions are expressed by that official or others in the U.S. Congress Department whenever Canada takes any kind of action.

If there is a countervail action raised, we will defend our interest and we would expect to prevail.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, the problem is not the statements made by officials in the U.S. government. The problem is the lack of statements made by officials in the Canadian government.

We really need a clear statement of what is a statement and what is not. The government has made no effort to describe what would be a subsidy during the forthcoming negotiations. We gave no reaction to the U.S. court case which said that our regional programs, our industry programs, were unfair according to U.S. trade law.

Will the minister now say clearly on behalf of the Canadian government that any subsidy directed to the fishing industry is proper under Canadian law and we do not give a damn what the U.S. trade law has to say?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I assume that last declaration which would have Canada take itself out of the world was not intended seriously as a statement of Liberal policy by the hon. member.

The hon. member well knows that the question of the definition of subsidy is one of the most difficult questions in international trade. It had been approached extensively in bilateral discussions between Canada and the United States before the negotiations of the free trade agreement. There was an attempt made in the context of those discussions to get an agreement on subsidies. We were not successful then. A process was set in place trying to set a timetable by which there would be an agreement on the definition of subsidies.

It is not only a difficult issue between Canada and the United States, but with all nations involved in trade. We are pursuing it vigorously as we have in the past.

We have defended Canadian programs. We have taken the case to court. We have won court decisions with respect to the right of Canada to follow programs that we believe are in the national interest, and we will continue to seek a common definition of subsidy.

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REGIONAL DEVELOPMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to pose a question to the Minister of Employment and Immigration who spoke so glowingly earlier in Question period about regional development grants.

• (1150)

Atlantic Canada is in serious need of real economic development help. Yet, instead, I have evidence here of wasteful government grants to a highly questionable project. The federal government has granted over $2 million to a company called Technitread, a tire retreading operation in Cape Breton, despite the fact that the owner's previous company in Brantford had a 30 per cent failure rate on the tires it produced and went bankrupt after having received half a million dollars in previous government grants.

Is this the kind of magnificent record of regional development grants that the Minister of Employment and Immigration was talking about earlier in Question Period?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Atlantic Canada Opportunities Agency which this government created and put in Moncton to administer regional development grants, to the benefit of industries in Atlantic Canada, has been working very well. There have been hundreds of grants given out to small and medium sized businesses which have produced hundreds and hundreds, indeed thousands of jobs.

The hon. member has asked about a specific grant. He provided some details which there is no possibility of verifying and asked for a comment on them. If he had given us the courtesy of alerting us in advance of his intention to do so, we could have had a detailed answer, but as it is we will have to take that as notice and get back to him.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, letters with specific reference to this company have been constantly sent from New Democratic members to the minister responsible for this area.

The minister was told last summer of the failures I talked about and said at that stage that he would investigate. Despite these problems which are backed up in a letter from the Ministry of Transport, from this very government, why was it decided and in fact carried through that this grant would go to this highly questionable project? How can this government justify that in view of the very serious problems put before ministers long before this point?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I wonder why the hon. member has waited until the one day this week the minister responsible for ACOA is not here to pose that very specific question.

As of January of this year ACOA has dealt with 14,141 applications. The hon. member stands up in some indignation and asks why we do not have the details on one of those 14,141 applications at our fingertips. The answer should be obvious to him.

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PRESENCE IN GALLERY

Mr. Deputy Speaker: I bring to the attention of the House the presence in the gallery of Mr. Gerard Collins, the Foreign Minister of the Republic of Ireland.

Some hon. members: Hear, hear!

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TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, in the absence of the Minister for International Trade, my question is for his boss.

It was announced this week that Moose Jaw Packers Limited has laid off one-half of its staff and is blaming the move on U.S. border harassment since the introduction of the free trade agreement.

In fact company officials are quoted as saying: "With the free trade agreement we were supposed to have less hassles but it has become more and more difficult". What is the minister prepared to do to stop this U.S. border harassment? What is he prepared to do to help these displaced workers at Moose Jaw Packers?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member raises a question of considerable concern to the government. The Americans should know that they run a sizeable trade surplus with us in agricultural products, to the tune of $1 billion a year; in that neighbourhood.

We are investigating this matter very thoroughly. If in fact the Americans cannot show good cause for the kind of hold up and what some people would describe as

harassment at the border, we are going to have to consider very seriously taking some retaliatory action.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, how long is the minister going to consider? When will he take action? The Canadian meat industry wants the minister to take action today.

Since the free trade agreement came into effect, the U.S. has increased fees charged to Canadian exporters from $100 U.S., to as high as $700 U.S. per inspection. It has increased the frequency of these inspections from one in 20 shipments to one in 7 shipments.

Given that this is clearly a non-tariff barrier to trade and is in complete violation of the free trade agreement, when will the minister stand up for the Canadian meat industry, demand that the Americans stop this harassment of our agricultural industries, and take immediate action today to deal with this problem?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, the hon. member may want us to go ahead today. It is important that we take a responsible action. If the Americans cannot justify what they are doing and there is no other conclusion that we can draw except that it is harassment, we are going to be in a much better position to proceed if we do get to that day.

Let me say again that the Americans should understand they run a sizeable trade surplus with us in agricultural products. We are a major customer of theirs and we expect that to be recognized when we trade with them.

We are investigating. That process is under way now in a very thorough way. We want to do our homework and be responsible. If the Americans cannot justify their actions and we are left with no other conclusion to draw except that they are harassing us at the border, as the hon. member says, we are going to have to consider very seriously, I say again, taking retaliatory action.

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GOODS AND SERVICES TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of State for Finance.

The goods and services tax is going to cause hardship for charities. We are informed that in the case of the Arthritis Society it will have to raise an additional $100,000 a year to offset the effects of the GST.

Given that last August the Minister of Finance promised that he would treat charities in a way which reflected the important role these organizations play, why is this government now placing this extra burden on charities?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, we are not placing any additional weight on charities. On the contrary, we have been very careful in devising the new tax so that it would be equitable.

I have heard comments about elderly people. We were extra careful to ensure that those who especially need our attention would be better off the changes. Charitable organizations will receive the same treatment. They will not have to pay higher taxes than they were paying before.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I think the Arthritis Society is very capable of calculating how much more this tax will cost it. That is the figure the society has estimated.

My supplementary question is to the same minister. Certainly charities provide a very valuable service. They deserve all the help they can get.

Will the minister guarantee that charities will pay no more tax under the proposed goods and services tax than under the present manufacturers' sales tax? Can he promise that? If so, how?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I will tell the hon. member that if the association gets its information from the opposition members who have been stating all kinds of things about the GST, I am not surprised. However, when its members read the facts they will find out that they are treated very fairly. We have made a special case of these organizations.

• (1200)

Mr. Deputy Speaker: We will close Question Period with two questions, one from the hon. member for Moose Jaw—Lake Centre and one from the hon. member for Calgary Southeast.

TRADE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, in the absence of the Minister of Agriculture I direct my question to the Minister of State for Grains and Oilseeds.

He indicated that he would look into the matter respecting Moose Jaw Packers. All he has to do is call Moose Jaw Packers. He will be told that it is now going 1,200 miles to Vancouver to find markets and 2,000 miles to Ontario to find markets when Cloverdale Meats of Minot, North Dakota, 400 miles to the south, has said that it wants Canadian hogs. Cloverdale Meats prefers Canadian hogs to American hogs.

When is the minister going to do something about this outrageous situation?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, we understand the situation. It does not only involve Moose Jaw. There are other areas across the country that are experiencing the same kind of difficulties.

I know that the hon. member wants us to do our homework and be thorough when we proceed, if in fact we do get to a position where we have to proceed. If we were to take some action now that could not be justified farther down the road, he would be the first one to get up in the House and say: "Why didn't you do your homework before you proceeded?"

We are putting the Americans on notice that we think it is a very serious situation. We are letting them know that if they cannot justify their actions we are prepared to take some retaliatory action.

If the hon. member wants to be fair about it, I am sure he thinks that that is by far the responsible way to proceed.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I have made some telephone calls and done some investigating. Intercontinental Packers in Saskatoon, which was shipping 5,000 hogs a week, is now down to 1,500 a week and in fact is thinking about cutting out sales to the U.S. altogether.

This is a $410 million industry that is being lost. This is a national matter and is affecting not only producers but hog producers across the country.

When will the minister have some answers for the people of Canada with respect to this most important issue?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I will elaborate just a little bit. We want to make sure that we investigate this matter very thoroughly.

We can all make phone calls. All of us have had these concerns expressed to us. I have had these concerns raised through my constituency office for the past three or four months. We want to make sure that this matter is dealt with properly.

The hon. member asks what we have done in the meantime. The Americans are well aware of our concerns. When the time comes, as I said, we are certainly prepared to take some retaliatory action. It will not be very long before we do that, but in the meantime we want to make sure that we do our homework so that if we get to that situation we will be on very firm ground when we decide we should proceed.

* * *

EXTERNAL AFFAIRS

Mr. Lee Richardson (Calgary Southeast): Mr. Speaker, the Secretary of State for External Affairs has confirmed that Soviet Foreign Minister Eduard Shevardnadze will be participating in the Open Skies conference here next week. My question is for the chairman of the House of Commons Standing Committee on External Affairs.

Can he confirm that Soviet Foreign Minister Shevardnadze will be appearing before the House of Commons Standing Committee on External Affairs? Will that meeting be open to all members of the House?

Hon. John Bosley (Don Valley West): Mr. Speaker, yes, I can indeed confirm that Mr. Shevardnadze will be here. He indicated a desire to attend. Our Secretary of State was instrumental in making it possible.

The precedent was Mr. Gorbachev's visit to the committee in 1983.

It is certainly our intention to invite the Senate Foreign Affairs Committee to participate as well as the defence committees of both Houses.

It is our intention to find a room to which we may invite all members to attend what I suspect will be an historical meeting.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to 219 petitions.

* * *

STATEMENTS BY MINISTERS

UNITED NATIONS OBSERVER GROUP

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I rise today to table an Order in Council confirming the intention of the Government of Canada to participate fully in the United Nations observer group in Central America.

As I announced on November 30, 1989, in concert with the Secretary of State for External Affairs, Canada has dispatched nine officers to Honduras as part of the UN's advance party. I am pleased to announce that a further 12 observers are being deployed.

As well, the first elements of an approximately 100-person helicopter squadron was deployed beginning this week. It will continue to be deployed during the month of February to Central America where it will join the UN observer group known by its Spanish acronym of ONUCA.

I would like to emphasize that Canada's involvement in the Central American peace process should not be seen as something new, but something that has been evident for a number of years, especially over the last decade. My colleague, the Secretary of State for External Affairs, and others in this House have visited the region a number of times and those visitations were to promote the peace process.

Following the August, 1987, signing of the Esquipulas II Agreement in Guatemala City, an agreement that outlined, "a procedure for the establishment of a firm and lasting peace in Central America", this House created a Special Committee on the Peace Process in Central America to consider Canada's participation in the peace process.

An important recommendation of that committee stated: "If and when a verification force of some kind is created and Canada is requested by the five to participate in the force, then Canada should favourably consider such a request". Today, I am able to say that we have been able to comply with the recommendations of that special committee.

You will also recall, Mr. Speaker, that when it became obvious that the peace process would require a verification mechanism, the five Central American nations turned to Canada, Spain and the Federal Republic of Germany to undertake this mission. It was Canada which, while giving full support to the peace plan, pushed to have the United Nations intimately involved in the process. We can now take some degree of credit for seeing this phase of the peace plan being conducted under the auspices of the United Nations.

We have supported UN involvement, as did the special committee on Central America, because we believe that it is the most credible and competent authority to undertake peacekeeping operations. This belief is firmly tied to our support for the obvious capacity of the United Nations for peacemaking.

You may well ask this question, Mr. Speaker. Why deploy a UN observer mission now? If one looks carefully at the situation in the region, one quickly arrives at the conclusion that there will never be a perfect time to deploy a UN observer group.

In November, we applauded the Secretary General's initiative to deploy an advance party to Honduras as a potential catalyst to re-establish the political consensus in the region and as a means of stabilizing the situation there.

At that time we also indicated that we expected to continue to participate in the UN decision-making process throughout the subsequent phase-by-phase deployment into the Central American countries. Obviously, we have closely monitored the situation and we are prepared to commit both military observers and a helicopter unit of the Canadian Forces in this next phase.

For those who are concerned about the risks involved to our peacekeepers, let me remind you of what was said in the Bosley report: "The risks of involvement in Central America are considerable, but the risks of non-involvement or turning a blind eye to a genuine

appeal from the five, would be a failure of responsibility and of self-interest on Canada's part."

As I stated earlier, there is no perfect moment in which to deploy our peacekeepers and there are inherent risks in peacekeeping at any time. But in the case of Central America the level of risk is manageable and is justified by the importance we attach to the process of advancing peace in that region. If at any time we conclude that these risks are becoming unacceptable we will, obviously, reconsider the total situation and our role in it.

• (1210)

As our peacekeepers are certainly aware, they are continuing a long and proud tradition of members of the Canadian Forces in the name of peace throughout the world.

The steps toward peace in Central America have been slow and at times painful. But progress is being made, and progress will continue to be made.

The dispatch of our peackeeping forces to another region is a sign of Canada's willingness to help those who seek peace and security anywhere in the world.

I know that you, Mr. Speaker, will join with all members of the House in offering their best wishes and support to these Canadians who are serving the cause of peace and security around the world.

Hon. William Rompkey (Labrador): Mr. Speaker, we on this side obviously support this initiative. I do not have to tell the House or Canadians that it was the Hon. Lester Pearson who began the Canadian contribution, historic contribution, to peacekeeping with the Canadian peacekeeping force in Suez in 1956 which helped to resolve that crisis.

Indeed, Canada has a long and proud tradition in the world in peacekeeping, which this gesture now simply carries on.

However, I would say to the minister that I think Canada has to be careful in not sending mixed signals to the world. We find it ironic, for example, on this side that today we are sending a peacekeeping force to Central America and just recently we gave unconditional and unequivocal support to an armed invasion of Panama. Canada should not be for peace at one moment and war at the next. I think that that kind of signal strains Canada's credibility and does not do anything to enhance our reputation. We believe that Canada has to be careful in the kind of signal it sends to Central America. We believe that Canadians were disappointed with the government's support of the American invasion of Panama.

I would further say to the Minister that we also believe that while the monitoring of the situation in Central America is important, that perhaps considering the conflicts in places like El Salvador, for example, the mandate of the mission might be expanded and that that might be helpful.

There is another thing that I want to suggest to the minister, that we simply go further than the sending of missions. Perhaps there is a role for Canada in an expanded peacekeeping operation.

I want to remind him that we on this side, particularly the member for Eglinton—Lawrence and our members from Prince Edward Island, suggested to the government that perhaps Summerside become a base for the training of peacekeepers and for peacekeeping operations. We were disappointed the government did not support that suggestion. I put it forward again and ask the minister if he would reconsider on behalf of the people of Summerside, and the people who serve there, Canada's expanded role in peacekeeping.

I would further point out to the minister that in the last budget new communications equipment for our soldiers was discontinued. If our forces are going to Central America and other places in the world, they need to be as well equipped as we can make them. I further ask the minister to reconsider the cancellation of the new communications equipment for our soldiers.

Basically, we in this party, as I am sure all Canadians, support this initiative by the government. We believe that is is an important contribution, a contribution that Canada should make.

I want to join with the minister in wishing our Canadian forces who go to Central America all good wishes for themselves and for a speedy recovery of the situation there.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am pleased to respond on behalf of the New Democratic Party to the minister's statement. Let me begin by saying that we join with the rest of the House in support of the Canadian forces personnel going to Central America

who are making their contribution on behalf of Canada to the peace process there.

I might also say as an aside that coming from Winnipeg I am aware with respect to another peacekeeping operation that the PPCLI, the Princess Patricia Canadian Light Infantry, are about to embark on their third tour, I believe, of Cyprus. There will be a ceremony to mark that in Winnipeg next Tuesday, a ceremony which I am unable to make. That is why I want to mention it today. It points out one of the dangers of peacekeeping, namely, there are some situations in which we have been peacekeeping now for 25 years. We hope that will not be the case in Central America. We hope this will be part of a process that will reach some kind of happy conclusion in a much shorter time period than has been the case in Cyprus.

As the minister stated today, this most recent United Nations peace monitoring effort is not the beginning of Canadian efforts to bring peace to Central America. Members of Parliament, church workers, NGOs, and a great variety of Canadians have been involved over the years from all walks of life in Central America.

The government has chosen the course of promoting multilateralism with respect to solving the problem in Central America, in this case through the United Nations. We are all hopeful that approach will succeed.

As the hon. member for Labrador pointed out, there is an inconsistency in the extent to which the government promotes multilateralism on the one hand and yet when confronted with unilateral action, as it was in the case of the American invasion of Panama, it remained silent—in fact, it does not remain silent but approves of a unilateral action.

If you want to be wholly, shall we say, in favour of multilateralism, then one has to be consistent and be critical of unilateral actions when they appear as they did in the case of the American invasion of Panama. Yet the government took the wrong position on that.

It is a position which I think was implicitly, if not explicitly, criticized in the recent report of the Standing Committee on External Affairs and International Trade where it stated with regard to Canada's membership in the OAS that we had to get beyond this sort of unilateral action—the United States acting as a policeman according to its own ethics in Central America.

We should not take all that much comfort in this particular announcement. It is an important step along the road to peace, but there are many steps yet to be taken.

Indeed, appearing before the Standing Committee on External Affairs and International Trade in December, the director of the Peacekeeping Operations Directorate, Colonel Don Ethell, pointed out that the ONUCA operation in Central America was a unique exercise in many ways.

I might say that I have had the opportunity to know Colonel Ethell and to travel with him in Central America when I was part of the Special Committee on the Peace Process in Central America. I would like to take this opportunity to compliment him on the work that he has done. He is certainly a very professional man and someone in whom we can all take a great deal of pride in his peacekeeping work.

ONUCA will be proceeding within the context of an agreement concluded between the five countries in the region which are not in direct conflict with each other. Colonel Ethell pointed out what he and the rest of the committee were all too aware of. The root of instability in Central America is not country-to-country fighting, it is civil unrest. It is what is happening within the countries.

The ONUCA team is not there to act as a negotiator. It is not there to act as a police force. Indeed, Colonel Ethell stated that the UN peacekeeping forces or observer missions are there to provide a UN presence, an international presence. They are there to provide stability so that the politicians and the diplomats can carry on with the peace process. They are not there to solve the political problems.

• (1220)

With your indulgence, Mr. Speaker, I would like to say just a word or two on the political problem. This whole announcement begs the question: What is the government doing about the political problem?

Has this government approached the Bush administration and voiced the concerns of many Canadians about U.S. support for the Contras in Nicaragua? Has the government questioned the $1.4 million a day in military assistance to the ARENA government in El Salvador? Perhaps now that Canada will have a military presence in Central America through ONUCA the government will follow on this initiative and press the United States to stop interfering in the sovereignty of Nicaragua and El Salvador.

The United States has done everything in its power short of invasion to disrupt and discredit the election process in Nicaragua, for instance. I wonder what the reaction would be in Washington if this government, or any government, openly provided $9 million to the Democrats in an election year, as the U.S. has done for the anti-Sandinista coalition in Nicaragua.

In El Salvador, the recent FMLN offensive has proven that despite massive U.S. support of Salvadoran armed forces there will be no military solution to the decade old civil war. There has to be a political solution. Crucial to that political solution are the actions and the intent of the United States of America, and that is where Canada comes in. That is where we have a role as a friend of America to say: "You need to be playing your part in this peace process, and that means stop funding those who have no intention of having a political solution".

We welcome the announcement. We all wish our peacekeeping forces well. It is going to be a dangerous job. Helicoptering around Central America is not exactly something that I would wish on anybody. But that is what people in the Armed Forces are for. They know that when they go in. We commend them for their responsibilities in that area. We hope that they all return safely in a context that sees progress toward peace in Central America.

LITERACY

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, a lot of people in Canada today have found a new lease on life. They are finally shedding a cloak of secrecy they have worn for years at school, work and home. These people face the future with a mixture of fear and optimism as they summon the courage to stand up and say, "No, I cannot read or write".

Our fellow Canadians who lack literacy skills will be helped this year with more commitment and compassion than ever before. All around the world 1990 is being observed as International Literacy Year.

[*Translation*]

It is a year declared by the United Nations as a time for self-awareness, study, hard work, understanding, patience, and above all—hope.

For its part, the government of Canada has made a long-term commitment to the cause of literacy. Through the national literacy program, we have already given support to develop more than 400 literacy projets and activities in partnership with community organizations, volunteer associations, business and labour.

We also have agreements with every provincial and territorial government covering joint initiatives to promote literacy. Ours is clearly a cooperative approach to a major social challenge.

[*English*]

These innovative projects include the development of literacy materials, setting up learners' conferences, studying ways in which training may be made more accessible and promoting literacy in the workplace.

As well, other government departments have become closely involved in the literacy movement. For example, the Solicitor General supports a program which gives inmates the opportunity to complete an adult basic education program before their release.

The Canadian International Development Agency includes literacy as a key component in the success of its development programs.

The Canada Employment and Immigration Commission sponsors literacy efforts directed at enhancing the employability of workers and youth. Of course, these are only a few examples among others.

Canada's future economic competitiveness and social development will depend on the existence of a highly skilled and adaptable workplace and workforce. Greater reading and writing skills are going to be called for in every area of national life from technology to the social sector.

The government has taken a leadership role in addressing the challenge of literacy, but we cannot do it alone.

[*Translation*]

We need the willing partnership of all Canadians from every sector of society—during 1990, international literacy year, and for all the years to come.

Business and labour, parents and teachers, as well as volunteers—all have an invaluable contribution to making our country a nation of enthusiastic readers, young and old.

[*English*]

Literacy is key to the Canada of tomorrow. It is our guarantee of future success. I am confident that by working together Canadians will be able to make the dream of a more literate Canada come to life for our children and their children.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the United Nations has proclaimed 1990 International Literacy Year.

This will be a time of increased awareness, study, hard work, understanding, patience and especially of hope.

The purpose of this proclamation, Mr. Speaker, is to make governments throughout the world aware of the need to address a matter that is important to us all.

The Secretary of State is to be commended for his speech, perhaps a bit brief but excellent nevertheless. I know the Secretary of State as a man of conscience and compassion, and I can only applaud those qualities.

During his speech, he mentioned that the Government of Canada had made a long-term commitment to literacy training. I may point out, Mr. Speaker,—

[*English*]

In September of 1988, the Mulroney government announced a $110 million grant for new literacy initiatives for the five years after 1988. I made a calculation and found that this works out to about $4 per year per student. I ask the government this. What kind of commitment is that?

Roughly, five million Canadians are functionally illiterate, unable to read, write, or compute at a level sufficient to let them participate fully in the Canadian society. That is over 20 per cent of our population—one out of five Canadians.

The government's initiative is important, but is it enough? Will it continue past this year, the 1990 International Literacy Year, or are these just good words we have heard as a sort of short declaration?

The Canadian Business Task Force on Illiteracy has estimated that illiteracy costs Canadian business $4 billion a year and that the annual social cost of illiteracy could be as high as $10 billion.

I would like to refer to an article that appeared in this morning's *The Globe and Mail*. It states that Southam News in 1987 conducted a survey which discovered that Newfoundland alone, with its high rate of unemployment, faces further strain from layoffs in fish packaging plants. The survey revealed that 44 per cent of Newfoundland's adults were considered illiterate. That is quite a mouthful on the part of the Southam research. What will this government do to address this particular question?

I would like to finish by quoting—

[*Translation*]

—from a speech by the hon. member for Saint-Boniface (Mr. Duhamel) at the 42nd Convention of the *Association canadienne d'éducation de langue française*, in Quebec City this summer. He said:

> —that the general definition of illiteracy includes not only the illiterate as such but also the functionally illiterate.

He added:

> —that illiteracy is not an isolated problem. It often occurs where there is poverty, hunger, excessive use of drugs and alcohol, violence and cultural alienation. To wipe out illiteracy, we also have to look at the following issues: nutrition, child case and access to transportation.

• (1230)

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I am pleased to rise today on behalf of the New Democratic Party to respond to the minister on the issue of International Literacy Year. I would like to speak as directly as possible to the minister because I know he listens to these comments.

In 1987 the Southam literacy survey found that 4.5 million Canadians over the age of 18 were functionally

illiterate. More disturbing was the news that the number of illiterate Canadians is expected to continue to rise by 100,000 per year.

The Canadian government must make commitments to all those who are overcoming their fear, stepping forward and asking for help. This commitment must be a guarantee of access to literacy programs within our communities across the country. We must provide long-term funding to groups and organizations delivering those programs.

Learners must be able to find a program which fits their needs. Literacy organizations across Canada are attempting to provide such programs from the John Howard Society's literacy program, which the minister mentioned, to the Ontario Federation of Labour's workplace literacy scheme called BEST. These programs are off and running. We should celebrate that.

However, the programs face constant underfunding. There is no doubt that if this government made long-term financial commitments, these literacy groups and organizations could devote all their energies to battling this serious problem rather than raising funds. It is a good investment too. Business and community groups realize that the cost of illiteracy in the workplace is extremely high. It affects workers, productivity and morale. Furthermore, it is estimated that the cost to the Canadian economy is $10 billion a year.

We have to do other things and I remind members opposite that it is inconsistent to put a tax, the GST, on books at the same time as tackling illiteracy. There are some positive things the government could do. It could provide child care for single parents so they can participate in literacy programs. There is initiative. It could work with the actors who now have an illiteracy program whereby they go to suburban malls and hold celebrity readings. I hope they come to Coquitlam in my riding; it is a perfect place for it. I hope the minister will support that program.

In this International Year of Literacy, Canada still remains a long way from addressing the causes which lead to a great number of Canadians growing up unable to read. There still exists the vicious cycle of poverty which can lead to inadequate education, meagre job opportunities, and continued poverty in the next generation.

On a personal note, I would like to tell the minister that I had a fellow in my office recently in Coquitlam, British Columbia, who used to be in the key business but is now unemployed. He confessed to me that he could not read and was going back to school. He has a family and he needs help to support the family when he goes back to school. But it was wonderful to talk to that person. That is part of what we are trying to convey. I say to the minister that we are all in this together. Let us be positive and work together as Canadians to tackle illiteracy this year so that we become the best educated workforce and population in the world because that is the key to industrial success.

* * *

PETITIONS

RIGHTS OF THE UNBORN

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I am obligated pursuant to Standing Order 36 to present four petitions to the House today. They have been certified correct as to form and content by the clerk of petitions. The signatories from my riding of Sarnia—Lambton call upon Parliament to enact legislation which will effectively protect the life of the preborn child without distinction as to stage of development.

GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my duty to present a petition on behalf of several hundred of petitioners, mostly from my riding and the riding of the Minister of National Defence, who call upon the Government of Canada to stop its actions relative to the goods and services tax and to put in place a tax which is fair to all Canadians.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I rise to present two petitions to the House. They are from the riding of Oshawa, which used to be represented by Ed Broadbent, the former leader of my party. It is now a vacant riding, but nevertheless, these people want to tell the House of Commons that they are against the government's goods and services tax.

The petitioners think there should be tax reform, that there should be a minimum tax on wealthy individuals and corporations, that there should not be a goods and services tax on haircuts, fast foods, piano lessons and other non-luxury items and that the government should

quit taxing Canadians, as they say, from the cradle to the grave.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I too have a petition which I would like to table under the provisions of Standing Order 36.

This petition is signed by a number of Canadians who are upset with the GST, which stands for the goods and services tax, but which should stand for the grief and suffering tax. Those Canadians want tax reform and they also want the goods and services tax to be abolished, no matter what the rate.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is an honour and a privilege to present a petition on behalf of a number of my constituents from Deadman's Creek, Savona, Logan Lake, Lac Le Jeune, Cherry Creek and Red Lake.

These constituents are distressed that this government, in spite of the fact that 80 per cent of Canadians oppose this goods and services tax, continue to ram it through the House of Commons. They point out that it is going to touch almost every aspect not only of their lives but of the lives of generations of Canadians to come. They feel that the government should listen to the people of Canada who are saying: "Do not proceed with this tax. Go back to the drawing board and essentially start all over."

They point out that this tax is unfair because it taxes all individuals, wealthy or poor, while our present tax system is biased in favour of the wealthy and the privileged. They also say: "Good grief, when you tax haircuts, diapers, coffins and all sorts of fast foods, piano lessons—all kinds of non-luxury items—it is an unfair tax." It is a regressive tax. It is unfair. It is biased against western Canadians as well, and for that reason they are saying: "Please, Government of Canada, go back to the drawing board and start all over."

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I have two petitions signed by people from my former leader's constituency of Oshawa, as well as from surrounding communities of Ajax and Whitby.

These people, like millions of other Canadians, have recognized the government's goods and services tax for what it is, a tax grab on ordinary citizens which will drive up their cost of living and make an already unfair tax system even more unfair. Therefore, these people are calling on us, as members of Parliament, to take seriously the democratic wish of the people of Canada, to send this tax back to the drawing board and come back with a tax system that will be fair to everybody and will not tax people who cannot afford to pay.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am honoured to stand, pursuant to Standing Order 36, to present a number of petitions in the House today.

The first petitions are, as a previous member has indicated, in opposition to the goods and services tax. These petitioners are from all over my riding, from the Marigold district, Saanich, the Ganges, Victoria. They are all opposed to this tax. They point out in their petition that, while there is broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this should not be interpreted as agreement for a massive tax grab and a regressive tax system. What these petitioners want is real reform of the tax system.

• (1240)

EL SALVADOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the second major petition that I have before the House today relates to another part of the world, the situation in El Salvador. There are nearly 500 signatures on this petition, once again from my riding.

It addresses many of the comments that were made by the hon. member for Winnipeg Transcona earlier today when he spoke about the situation there. We in Canada have a role to play in resolving that situation. We have to be much more forthright and purposeful in our statements to the United States and their role in giving military assistance to the repressive regime in El Salvador.

This petition refers directly to the incidents of the bombing of the civilian population and the murder of the Jesuits. It asks the Canadian government to utilize our offices to enhance Canada's role in the United Nations and in the OAS for the full protection of human rights and a peaceful resolution to the conflict in El Salvador.

OLD AGE PENSIONS

Ms. Lynn Hunter (Saanich—Gulf Islands): Finally, Mr. Speaker, one more brief petition on another very important subject and that is the clawback of the old age pensions. These people state their opposition to it and

ask that the government look again at that particular initiative.

GOODS AND SERVICES TAX

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I would like to take this opportunity to present a petition on behalf of a number of Canadians who are strongly opposed to the goods and services tax. This petition has been certified correct as to form and content.

I think that this particular petition is very timely. I say that because I was in Brandon, Manitoba this week and I listened to about 1,000 people who were strongly opposed to the GST. They find it repugnant; they find it regressive, and they find it will be a terrible burden on them if it is introduced on January 1, 1991.

What those people were saying in Brandon this week and what these people who signed this petition are saying is that the government should wake up, listen to Canadians and stop this tax. Do not go ahead with it. They feel that if the government would just listen to Canadians, who have sound arguments and strong views and make a lot of sense about this tax, the government would come to its senses, and say, "No more. We are not going ahead with this tax. We are going to scrap it and we are going to go back to the drawing board".

Mr. Deputy Speaker: On a point of order, the Parliamentary Secretary to the Government House Leader.

Mr. Cooper: Mr. Speaker, I just listened to the hon. member who has presented a petition. What appears to be happening is that they are not simply presenting the petitions as they should be, but they are engaging in debate. I would just like to call that to the attention of the Chair and ask that the Chair relay to members the proper procedure, which is a very brief statement, not a debate.

RIGHTS OF THE UNBORN

Mr. Rex Crawford (Kent): Mr. Speaker, once again I am honoured to rise in the House, pursuant to Standing Order 36, on behalf of the constituents of the ridings of Kent and Kent—Essex who wish to protect the lives of unborn children and who humbly pray and call upon Parliament to enact legislation which will protect the preborn child, without distinction as to the stage of development.

GOODS AND SERVICES TAX

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today under the provisions of Standing Order 36 to present to this House a series of petitions signed by citizens from Windsor, Maidstone, Tecumseh, Essex, and a number of other communities, expressing their outrage against the goods and services tax which was debated here this week in Parliament and which the government forced through second reading by closure.

I rise today to present these petitions to show the government that people are still upset with this tax, this grab and steal tax, and we hope that the government will come to its senses and withdraw the legislation.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, once again I rise in this House to present a petition signed by almost 3,000 Canadians, about half of whom reside in the constituency of the Secretary of State for External Affairs, in Edson and Hinton. These petitioners have one objective in addressing their remarks to this House and that is:

> To cause the government to cease with the proposal which will ship the tax burden onto ordinary Canadians through a regressive consumption tax instead of through real tax reform.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased to rise today under Standing Order 36 to present a petition signed by many concerned Canadians.

These petitioners strongly oppose the government's proposed goods and services tax because they feel it will cause serious and unfair hardship to low and middle-income Canadians. They call upon Parliament to reject the proposed goods and services tax.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, it is my honour and duty today to present a number of petitions, signed by concerned Canadians who are absolutely opposed to this government's goods and services tax, this attack on the wallets of the taxpayers of Canada.

They join over 600,000 other petitioners who have presented petitions through the Liberal members of Parliament to this Parliament, to tell this government that they do not support the goods and services tax. They urge the government to come to its senses as quickly as it can and to cancel this regressive tax.

Speaker's Ruling

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I also rise under Standing Order 36 to present a petition from the constituency of Kenora—Rainy River. Their hon. member wanted me to present this petition today because of the seriousness of the issue. He wanted me to explain to you, Mr. Speaker, how heart-struck the petitioners of Kenora—Rainy river are that the government has still continued to propose this GST. They want to inform the government that they will not stand by and allow this government to propose this regressive tax.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I have the privilege to rise under Standing Order 36 to present a petition from constituents on the goods and services tax.

Their main concern is that the imposition of the new GST will cause serious hardship to low and middle-income Canadians. This is on the basis that they spend about 90 per cent of their income on consumption items as opposed to those in the $50,000 income bracket who spend roughly 55 per cent on consumption goods. On that basis they feel it is going to hit them the hardest.

Also, the small businesses in the riding are concerned that the goods and services tax will probably put them out of business. These petitioners humbly pray and call upon Parliament to firmly and immediately reject the goods and services tax.

Mr. Harvey (Edmonton East): Mr. Speaker, I neglected when introducing the previous petitions to introduce this one because the wording is different. I would now present under Standing Order—

Mr. Deputy Speaker: Order please. I understand the member has already risen before on a petition. When that happens and a member has more than one petition, even though they may be on different subjects, the member should do all of them at the same time. Is there unanimous consent to allow the member to file a second petition?

Some hon. members: Agreed.

Mr. Harvey (Edmonton East): Thank you very much, Mr. Speaker, and thank you across the way. I will conduct myself accordingly in future.

These 27 petitioners from the city of Calgary are very direct in their presentation. The prayer in its entirety reads as follows:

> Wherefore your petitioners humbly pray that your honourable Parliament may be pleased to reject this tax.

It is most unlikely that the good citizens of Calgary, or indeed the good citizens anywhere in this country, will be duped by the apparent opposition of the Liberal Party to the tax, knowing full well that it is the intention of the Liberals to allow the Tories to introduce the tax, to defeat them at the next election, and then to exploit the consequences of the introduction of that tax thereafter.

* * *

• (1250)

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all Questions on the Order Paper be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

HIBERNIA DEVELOPMENT PROJECT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Epp that Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Prior to resuming the question and comment period, the Chair is ready to make a ruling on the proposed amendment by the hon. member for Port Moody—Coquitlam.

SPEAKER'S RULING

Mr. Deputy Speaker: The Chair has reviewed carefully the amendment and has come to the conclusion that it is out of order for a number of reasons which relate to Sections 744 and 745 of Beauchesne, particularly that the amendment must relate strictly to the bill before the House.

In the Chair's opinion, paragraph 2 of the proposed amendment could relate to other bills and particularly to Bill C–45.

Also the proposed amendment does anticipate possible amendments in committee. For those reasons, the Chair must declare the amendment out of order.

MEASURE TO ENACT

Mr. Mifflin: Mr. Speaker, I believe I am also the next speaker. But I wanted to comment on some of the statements made by the hon. member for Port Moody—Coquitlam.

I was concerned when I heard some of the comments. I stand here now, not as the energy critic, which I am not, but as a member of Parliament from Newfoundland. His comments cause me great concern. I was surprised and very disappointed when I heard the position he was taking. I presume he was speaking for his party when he said that he was opposed to this bill going ahead for second reading.

Mr. Waddell: Shame on you!

Mr. Mifflin: If that is not what the hon. member said, then that was the intent of the motion, although the motion has now been ruled out of order. I certainly got the opinion that there was less than enthusiastic support for this bill to go ahead.

I am very concerned about that for a number of reasons. I shall speak about the Hibernia project now. I recall very distinctly being in St. John's, Newfoundland. It was by accident that I was there on July 18, 1988, when the Prime Minister of this country came to Newfoundland. We had a very large and well–advertised meeting with the then Premier of Newfoundland, Brian Peckford, and there was great jubilation in Newfoundland.

The issue was, as much as these issues can be, non–political. Most and perhaps all Newfoundlanders rejoiced at the thought that there would be something around the corner other than the one industry that we have been working on for years and years—400 years plus.

I believe this is question and comment. I am going to ask you a question, but I had to lead up to the question. I have some time. I am also the next speaker, so you are going to have to hear a lot about this.

My concern is that on the principles espoused there was no concern for the number of jobs and opportunities that this will give Newfoundlanders, particularly at this time when the outlook is dismal. No matter how you look at the economy of Newfoundland, whether it is ACOA, regional funding, ERDAs, Bill C–21, funding for various projects, tourism, fishing, extension of the jurisdiction over the nose and tail of the bank, seal cull, whatever it is these days, the news is less than joyful. In fact, it is dismal. Hibernia has always been there as a hope, a ray of light at the end of the tunnel, at a time when, not only is the ray of light a bit dim but, in fact, you sometimes wonder whether there is a tunnel at all. I hear less than enthusiastic support from the hon. member. Yes, I am concerned and disappointed.

This project is not perfect; nothing in this world is perfect. I certainly strongly disagree and I am going to have to ask him precisely what he meant by the statement that fishing will always remain the one item that will keep Newfoundlanders alive. Surely we have to look at other things. We have to hold out some hope for the future, whether it is Hibernia or something else. Maybe tourism is a bit of a hope; we need to concern ourselves with this.

There was talk about feeding the beast. I am not sure which beast was being discussed but I was concerned that last June we ran into a problem with Hibernia simply because there was a problem with funding. We were looking at the plan by the consortia to build their so–called super modules and reduce the numbers from the 17 smaller ones for living quarters and production facilities atop the huge concrete base to five larger ones that would be differently structured.

I am concerned not just about the jobs of construction, which will be the initial jobs, the nuts and bolts of preparing the superstructure, but also about the follow–on jobs and whether there are 3,500 and 1,600. There is some debate over that right now. The fact of the matter is that these jobs are not nuts and bolts jobs, they are not mundane jobs, they are engineering skills, engineering skills in maintenance, in ballasting and reballasting, and these are the kind of skills that the Minister of Employment has been talking about and the things we are looking for.

I do not want to detract from some of the things I want to say later on, but I would like to ask the hon. member what precisely his concerns are with respect to why we

should not go ahead. Is he considering not only the immediate jobs that this is going to offer Newfoundlanders and, indeed, all Canadians since this is a Canadian project but also the advantages that are offered, not just by the jobs, but by the ray at the end of the tunnel, the morale boosting aspect of this? Does he not think that that outweighs all of the other concerns that he may have? I think it is also a question of risk analysis here and which of the two alternatives are the best or the least risky.

Mr. Waddell: Mr. Speaker, we in the NDP are not against Hibernia. We are against this bill and we have made detailed comments against the bill, as I did in my speech.

As an outsider of Newfoundland—I come from the west coast of Canada—I am aware of and very sympathetic, as we all are, about the economic plight and the difficulties in Newfoundland. We want to hold out hope for Newfoundland but it should be real hope, should it not, and not false hope. We have seen in the past chocolate factories and cucumber factories. Successive Liberal and Conservative governments and politicians, in my view, have let the people of Newfoundland down with false hopes of pots of gold at the end of the rainbow. That is all I am saying, let us make sure it is real hope.

With respect, let me conclude with this. The ex-admiral said, "What about your criticisms of jobs"? Maybe we should go to the captain of the ship. We will go to Premier Clyde Wells. Here is what he said in interview with *The Financial Post* on October 2, 1989. He is a Liberal and the Premier of Newfoundland. The member said he is a good Liberal. That is right, he is a good Liberal. He said that the number of permanent jobs generated by this Hibernia project would be about the size of the workforce of two fish plants, and I quote:

> The former government painted it as a saviour, it is not.

That was my position. What was the hon. member's position? He has taken a different position than Clyde Wells, the Liberal premier.

The Acting Speaker (Mr. Kempling): Order, please. Before I recognize the hon. member for Bonavista—Trinity—Conception, I wish to inform the House that because of ministerial statements, Government Orders will be extended by 34 minutes. Therefore, Private Members' hour will begin at 2.34 this afternoon.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I am delighted to have the opportunity to comment on this bill. I was not going to go over any preliminaries, but in light of what I have heard this morning, I think it might be worth while to review for the members some of the things that have gone on with Hibernia, and perhaps to review some of the difficulties we have had in moving this project ahead.

• (1300)

I will start by commenting on the fact that we Newfoundlanders and most of us here in this House believed that the statement of principles that was signed on July 18, 1988, would go forward and indeed be approved on March 31 last year.

There was great disappointment that we ran into snags. This signature to the statement of principles was based on production going ahead in 1996. I understand that there has been a delay of at least one year. While that in itself is bad enough, we are concerned that at every turn, like on first reading, we had difficulties. In June 1989 we had concerns about the reduction in the number of modules that would be put on the gravity base structure and the consequent reduction of jobs.

Indeed, this is not a perfect set-up. It is not a perfect agreement. Certainly in the short time that I have been in the House I have not seen any perfect bill. This is why we go to committees and have the number of readings that we do.

I cannot impress upon this House the importance at this time in Newfoundland economic history for the Government of Canada, no matter which government is in power, to show that there is some concern and a will on the part of the Canadian government to do something that will assist eastern Canada, particularly Newfoundland.

The Hibernia oil field is located off the Grand Banks. For the information of the hon. member who talked about a couple of hundred miles, it is precisely 315 kilometres southeast of St. John's, Newfoundland. It is an elongated reservoir covering 20,000 acres. It has an estimated capacity of 525 billion barrels. The recovery of the oil will be through an offshore drilling rig that will have supports on the floor of the ocean with a platform above the water line.

This project is highly technical. I think it is safe to say it is on the cutting edge of technology. Some of the ideas are new. Some of them, if they cannot be considered revolutionary, are evolutionary in an uncertain sense. The plans have been refined at each turn of the clock. After a few turns of the clock, we ran into snags. That is to be expected.

I will accept the remarks attributed to the premier of Newfoundland, the Hon. Clyde Wells, that the jobs that would be engendered by this project would amount to the size of a couple of fish plants. As I said to the hon. member, a couple of fish plants would look pretty good right now. The fact of the matter is we have to start somewhere, even if there is a snag that comes up at every turn.

Yes, we are concerned about the environment, and yes we are concerned about toxic wastes. We are concerned about all these things, but in any project, any decision that I have had to make in recent life, nothing is clear-cut and dry. Everything is grey these days. You have to weigh the pros and the cons. Once I left school, one and one no longer equalled two. After leaving school, it is not quite one plus one equals two. It is sometimes three, and maybe 1.5.

This project has a tremendous future. It is a future that we have to concern ourselves with. This party supports this project for Canada, and especially Newfoundland.

There are some other principles that I received from our energy critic which I believe have direct application here.

The primary objective of our energy policy is to first and foremost gain the maximum economic benefit from the development of Canada's energy resources.

The second one is to ensure the security of Canada's energy supply. We are also concerned that we use energy in the most environmentally responsible way possible. Consistent with these three principles, we want to promote regional development consistent with economic reality.

It is estimated that oil from this project will be produced at 110 million barrels a day. It is not expected to flow until 1996-1997, depending on when the impediments to this bill are finally resolved and we get on with acting in a positive sense by approving the bill and giving it Royal Assent as soon as possible.

We are already a year behind the previous start-up schedule that was set in July 1988. It is imperative that we go ahead with this project as quickly as possible. It is expected to produce oil and there is no question that the oil is going to be higher priced. This is one of the great uncertainties. We can never say with any degree of confidence from month to month, even from week to week, what the price of oil is going to be. We all know that one wakes up in the morning without knowing what it is going to be. It is almost on a daily risk basis that we go forward with these projects.

There are some other down sides to this as well. There are some problems. I know that Premier Wells was speaking about his concern, one that I share, that perhaps we could have struck a better deal, that our royalties could have been increased and that maybe some of the tax concessions should not have been allowed. I do not want to get into that detail right now. I think those are the details we can get into after we examine it in committee and we look at some of the finer prints when we dot the *i*'s and cross the *t*'s.

The main concern we have now is with the statements of principles. We have to go forward with this now so that we can get into the detail. We can examine it in detail and make decisions and judgments amongst ourselves to come up with something that is reasonable. It probably will still be imperfect, but we are prepared to accept the imperfection of this kind of a deal.

We are dealing with the future. When you do not know for sure what the future is going to give you and what it is going to bring, you go on the best information you have at the time. The best information we have right now is that this is a worth-while project. It is a project that should go ahead and as soon as possible.

The statement of principles that has engendered a great deal of debate in this House engendered a great deal of debate in juxtaposition with some of the other principles that perhaps may be equally important in the future, but cannot be foreseen at this point in time. The statement of principles is something we have in front of us. We know what they are and we are dealing with them.

There are a number of statements of principle, but the one that I am going to concern myself about right now, in direct comparison to what the hon. member from Port Moody—Coquitlam had to say in his response, is the statement of principles calling for 3 million hours of employment to be created in Newfoundland during the four years of construction. Whether that is plus or minus

10 per cent, plus or minus 20 per cent, I am prepared to accept that as in the ballpark of what we are looking at.

The fact is that the oil companies changed the fundamental design and that complicates the situation. Anything that is changed invokes a complication and prevents them from carrying out this plan as had been previously agreed. The principles are not altered. Mr. Wells, the premier of Newfoundland, was quoted recently by *The Globe and Mail* in an article which I have as saying that the principles are not altered.

According to the article, he said: "We expect that they will ensure that there will take place in Newfoundland and in Canada as a whole work to the level that was agreed upon".

There are comments one might make here in the heat of of the battle or when anger sometimes flows, as is meant to happen in debate. Perhaps some statements one makes one regrets or would like to have said in a more positive sense. For all these statements, we have to look at this project in as positive a light as possible and I suggest, in as unpartisan a way as possible.

• (1310)

I on the one hand could not look at the negative aspects of this project attributed to the government and then, at the same time, stand on my feet and criticize the government for something that it is not doing.

This is an opportunity for the government to go forward with something that is potentially very helpful to Newfoundland and indeed to Canada. I would want my party to be seen as being very supportive of that initiative. Perhaps this is one of the rare times that we have gone forward in support of what the government plans to do. While we may have some difficulties with the technical details and with some of the wording of the statement of principles, I would be less than honest and forthright if I did not stand here and suggest that we move forward with it as soon as we can.

The economic benefit related to Newfoundland has to be considered beyond the millions of manhours that we talked about. Those benefits must also be considered in direct relationship with what the government claims to be doing in the business of retraining people. I do not know what the bracket of the financing is going to be, and I do not think that has been actually worked out yet, but we know the gross figures. The project is going to cost $5.2 billion and there will be more money related to it later on. We know what the loan guarantees are and some of the most recent agreements.

Before I talk about the economic benefits in general, let me update the House about some of the most recent developments. Last June the Minister of Energy, Mines and Resources was somewhat concerned—and we shared his concern—about precisely how the new agreement would come out and how it would affect the Statement of Principles with respect to the restructuring and reducing the number of modules from 17.

While it is safe to say that the machinery hit a snag I am delighted that, according to my information, we are back on track again. It is my understanding that the federal and the Newfoundland governments have agreed on a new joint proposal to the private sector consortium in an effort to get this energy development project back on track.

Apparently the federal energy minister was quoted as having said that no new money would come from Ottawa, but that some extra cash, as he called it, might become available from the Canada–Newfoundland Offshore Development Fund which, of course, has already been used. This is a $300 million account that was established in 1986, two years before the signing of the statement of principles, to help defray the cost of energy off the Newfoundland coast. About $235 million of that has already been earmarked of which $95 million was approved in 1988 as a part of this signing of this statement of principles for the Hibernia megaproject.

Apparently the $65 million left in the fund will be a factor in the upcoming negotiations with the oil consortia. Obviously this has to be part of the discussion. It is my understanding that Premier Wells has been meeting with the consortium members; that is Mobil Oil of Canada, Petro-Canada, Gulf Canada Resources and Chevron Canada Resources, all of Calgary. Perhaps we will hear more in the next two or three weeks on the specifics of the proposals.

Everybody has heard about the dismal situation that we now have in Atlantic Canada. I have two members with me now, the hon. member for Dartmouth and the hon. member for Malpeque. Everybody here has been aware of the crisis that we have had in Atlantic Canada.

We in Newfoundland—and I have to speak as a Newfoundlander now—do not like to have our hands out begging. Nobody likes to do that. We have had to resort to some pretty severe tactics in the last few years.

I remember growing up in Bonavista where my grandfather was a fisherman. I remember the meagre earnings of fishermen in those days. They lived simple lives, they lived happy lives, they ate healthy food and they had healthy habits. The situation, I regret to say some 45 or so years later, seems to have deteriorated from that of my memory.

I read a comment made by the commissioner of fisheries in Newfoundland about 100 years ago. The statements that he made 100 years ago are not too far removed from some of the statements that Dr. Harris made in his task force report on the fisheries. This is not meant as a criticism. These are facts and they cannot be disputed.

ACOA was reprofiled. Every week I get calls from disappointed people who perhaps are not aware of the rule changes. They believe that ACOA was meant to help them. They find stumbling blocks everywhere until they realize that there is not enough money there to launch their projects. I could cite 30 projects from one end of my riding to the other. I try to explain to these people that reprofiling means that there is less money. They understand but they are very disappointed.

There is less money for education and health. I am not going to harangue about the goods and services tax but it is not causing cheer in the hearts of men, women and children. Mr. Speaker, I know that you and I have had many discussions on Bill C-21, have sat in committee and listened to people. Whether you agree or disagree with the impact of the bill, the fact is there is a perception of what it will do to the unemployed in Newfoundland. Last year 79,000 people who drew unemployment insurance are going to be affected.

One study says that Newfoundlanders will lose the most. They will lose $2,540 on average. When you take out all the bipartisanship and all the things that perhaps are judgmental, the indisputable and relevant consideration is the morale of Atlantic Canadians.

Mr. Speaker, I know about morale and I know that you know about morale. Morale is very subjective. It is difficult to measure it, but you know what it is when you are among those whose morale is affected. You can walk on to a ship and within five minutes know whether the morale is high or low. How do you know? I cannot explain it. I went through my riding from one end to the other in mid-January for the specific purpose of talking to people and sensing their morale. It was not good.

Apart from the economic benefits, the statement of principles, the details, the complicated fundings, the royalties, the income tax and everything else, there is one ray of hope.

People talk to me and ask: "What is the hope? What is ahead?". I do not turn and criticize the government and say: "Well, this government does not know what it is doing". That is not good for morale and I do not say that. Not all of the time, Mr. Speaker.

I do say that tourism in perhaps 50 years will be good for Newfoundland. I say that it will get off the ground some day, perhaps not in my time. And we always look at Hibernia. If anybody in this House does anything to cripple the principles involved and the idea of Hibernia, this is going to be not just another little nail in the coffin of morale, but there will be no more hope. All hope will be diminished. It is in that context that I speak here as a member of the Opposition and as a Newfoundlander to ask members, when they are considering this very important bill, to bear that in mind in their consideration of the bill.

Mr. MacDonald (Dartmouth): Mr. Speaker, I have listened with great interest to the comments of my hon. colleague and, as always, he has been very eloquent in his presentation and he has been very true to his constituency and exceptionally true to his province, the great province of Newfoundland.

I got a flavour of the importance of the Hibernia project to Newfoundlanders and to Atlantic Canada. I would hope that those on all sides of this House and those who are watching this debate did the same. In Atlantic Canada, all too often there are too few opportu-

nities to diversify. In Newfoundland in particular, where we have primarily resource-based industries in the fishery, we have seen the fishery go into a tailspin and a state of collapse.

• (1320)

Everybody likes to talk about diversification and prospects for a bright future. Hibernia has been a flicker of light at the end of a very dark tunnel for Newfoundlanders and Atlantic Canadians. There have been some worrisome delays in the past.

I am not here here today to blame or point a finger, but it worries me considerably that we have waited as long as we have to get the Hibernia project under way. It worries me considerably that at some point there was discussion about altering the type of platform and that perhaps the Canada benefits may not be as significant as what they absolutely must be in Newfoundland.

I ask my hon. colleague to expand a little further about the real necessity for maximization of Canada benefits not just as it affects material procurement, but actual jobs and the spin-off industries that could be created. I know many people say that it is pretty parochial to want to keep as much of the pie from development as one can in one's region when so many people, like those in Atlantic Canada, depend on the good graces of people in central Canada to shift their money and resources to help us out.

I ask my hon. colleague to expand on that so that people from all sides of the House and people watching this debate will have a better understanding as to why it is absolutely essential that the Hibernia project go forward, not just for energy self-sufficiency for Canada, but also for the benefits that could accrue to places like Newfoundland, which have waited for a long time to be fed a full plate in this Confederation.

Mr. Mifflin: Mr. Speaker, I thank the hon. member for Dartmouth for that question. I think it is a very pertinent and relevant question, one that is not difficult to address but hard to answer in the limited time that I am sure you will impose, as you are required to do, Mr. Speaker.

I want to review the initial feeling about jobs. As a backdrop to that, I am very proud of representing my constituency of Bonavista—Trinity—Conception, which is named after the three great bays on the east coast of Newfoundland. There is a lot of distinction in that riding.

Every member represents a distinct area of Canada. There is one distinction that I would rather not have. There is one distinction that my constituents would rather not have. In the 62 unemployment insurance regions in this country, my riding is in the region that has the second highest unemployment rate in Canada. Northern Manitoba is the highest, with an unemployment rate of 25.4 per cent. Bonavista—Trinity—Conception encompasses an area where the unemployment rate is over 20 per cent. That gives the backdrop against which I discussed the jobs.

I want to give an indication of what jobs mean in Newfoundland. When we were discussing free trade I remember being involved in a debate with one of my constituents and explaining to him that there is a chance that we would gain a certain number jobs and there was a risk that we might lose some. We did not know. He turned to me and said: "Mr. Mifflin, we can't afford to lose one job in Newfoundland. Not one job".

The last time I checked the figures, there were 79,000 in Newfoundland on unemployment insurance. That is a lot of people. That is almost the total number of people in my riding. I have 92,000 people in my riding. That is shocking.

In the statement of principles there was some anticipation of jobs. I will attribute these statistics to the companies because I think one might want to read something into that. Mobil Oil— they were the leader of the project consortium—said 14,500 person-years of direct Canadian employment would be created during the construction phase out of the total of 21,500 person-years required overall.

They went on to say that indirect and induced employment—that is second and third order jobs—were anticipated to increase the total employment impact for Canada to over 40,000 person-years of which almost 35,000 person-years of the project construction would result in Newfoundland. Thirty-five thousand person-years when one job means so much to so many people is indescribable. The impact is fantastic.

The production phase was anticipated to create 1,100 direct permanent jobs and 2,450 indirect permanent jobs for a total of 3,500 permanent jobs for the province of

Newfoundland. That was the original initial estimate and they will change, and they have changed.

Mr. Harvey (Edmonton East): They have gone down.

Mr. Mifflin: They have gone down, indeed. I regret to say that. I agree with my hon. friend that they have gone down. That causes me and all Newfoundlanders concern. I hope it causes all Canadians some concern. We are paying good money for this and we want to get as much as we can out of it.

Mr. Barrett: Do you believe the oil companies when they talk this way? What does that say about the oil companies?

Mr. Mifflin: The hon. member for Esquimalt—Juan de Fuca will recall that I referred to the oil company that actually mentioned these figures. I want to specifically attribute it to the oil companies. I could not do the arithmetic. I did not have the facts with me.

These are all kinds of jobs; they are highly technical jobs, good jobs, and they are jobs that would allow Newfoundlanders and Canadians to compete in other jobs once they are trained for this. The second, third and fourth derivatives of this job creation machine have a tremendous impact and a great potential that we should not minimize in this kind of discussion.

I would say to my hon. colleague from Dartmouth, we are kindred spirits. In fact, we all are when it comes to this. We know the problem in Atlantic Canada. One need only go to any organization, any group of people whether they are church people, fishermen, Liberals, Conservative, NDP and talk about this number of jobs, and you will come away a hero. You are a downright hero. When you talk about a 10 per cent reduction in the number of those jobs it is not as cheerful, but it is still there.

I think I have made my point. I thank the hon. member for giving me the opportunity. I have not spoken to Premier Wells recently on this subject, but I know he is generally in favour of the project. Of course he has some concerns, because it is estimated that we have had a 50 per cent reduction in these jobs. Who knows. It is a long way away. We are looking at production in 1996—1997.

The fact of the matter is we will have the jobs, we will have oil production. There are uncertainties and we have to be patient. But let us move ahead now.

The Acting Speaker (Mr. Kempling): There are only a few minutes left in the question and comment period. Guide yourselves accordingly.

[*Translation*]

Mr. Langlois: Mr. Speaker, in responding to comments by the hon. member for Bonavista—Trinity—Conception, I simply want to say that like him, I was very surprised at the remarks made earlier by the hon. member for the NDP on Bill C-44 and the Hibernia project. I can inform the NDP member and the hon. member for Bonavista—Trinity—Conception that the government is committed to Bill C-44 and to Hibernia. The Prime Minister will honour the undertaking he made to Newfoundland in 1988 regarding the Hibernia project. The Cabinet is also committed. Members on this side of the House, Mr. Speaker, will, of course, unanimously support Bill C-44, because we realize this project is vitally important to Newfoundland and Eastern Canada.

The project will not only help us to maintain and preserve technology but also to develop new technologies and new types of jobs, and to offer young people in Eastern Canada some interesting opportunities. The hon. member may rest assured that on this side of the House we will be working very hard and very effectively to get Bill C-44 passed as soon as possible.

[*English*]

Mr. Mifflin: Mr. Speaker, I have a piece of paper here that I have to make reference to. I thank the hon. member for that reassurance. I am sure that the morale of my constituents and indeed people from Atlantic Canada, having heard the assurance from the government side, will be raised just a little bit more today. That is not a bad thing for a Friday, after the kind of a dismal week that we have had.

• (1330)

We have just heard some comment on the job creation aspect of this matter. I have talked about the morale aspect of it. After all, we are going to produce oil. It might be expensive oil, but we are indeed going to produce oil. I never like to play off one group against the other, but yesterday in Question Period I heard mention—and I think it was attributed to the hon. minister

involved—that over the last five years or a similar period $21.7 billion was given in grants to farmers. I think that is tremendous.

I understand farmers are not eligible for unemployment insurance, but I use that only as a bench-mark to look at the $5.2 billion cost of the project. The oil companies are putting in $1.92 billion. Quite frankly I think they are getting a very good deal. Including federal grants for construction, the guaranteed loan by the federal government, the federal loan to help meet interest payments, the federal loan for contingency, the $95 million from the offshore development fund and perhaps even more, and the $11 million for the provincial offshore technical transfer fund, we are looking at $3.281 billion. That is an awful lot of money. After a couple of hundred dollars I stop visualizing what money is like.

That figure, if compared with $27 billion, is not a bad investment for the kinds of jobs we are looking at in eastern Canada where we are hungry, thirsty and crying out for jobs. I would only hope this will be considered sacred and outside budget cuts and that kind of thing. This is long-term thinking, a long-term project. We cannot afford to have hopes dashed at this time.

I would like to conclude my comments by once again thanking the hon. member from across the floor for his reassurance. I hope the government will continue to reassure us as we go through the procedure of finally getting this bill approved and under way.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I am pleased to see a new Speaker in the chair today. I will not make any reference to the member for Burlington, but if he were here today he would be proud of the speaker.

I want to start by saying that we should not place this project into an either/or situation. I want to make very clear to members from Newfoundland that it is the history of this country, if we have developed into an economic landscape, to see the wreckage of megaproject after megaproject that has been held out as the single hope for the people of a region to restore their economy.

It happens in British Columbia. It has happened in Alberta. It has happened on the prairies. It happens elsewhere in the regions but not so much in central Canada. I urge my good friend from Newfoundland not to get into the trap that this is the only ray of hope for his province and region. Let us understand that if he falls into that trap, it will become the case of consistent subsidies to large corporations that have walked out of this country time after time after time with huge profits and left economic wreckage in the region from which it comes.

Need I cite examples? The heavy water plan was the ray of hope, the morale booster. The people were let down and fibbed to. I do not say they were lied to, Mr. Speaker; they were fibbed to. When we signed British Columbia into Confederation, CPR said that it would keep up passenger service. It was given a 10-mile strip of land across this country. The CPR exploited it, made billions of dollars of profit, abandoned the rail traffic, and taxpayers had to pick it up. They were stuck again.

When I was a younger boy I used to believe it when companies, prestigious people in public life such as politicians, company executives or others, said: "Why, if you just give us a little help here we will create a fortune for this region. We will create jobs. We will do this wonderful thing. Just give us the money, the seed money." Then I heard about free enterprise and I was puzzled about it. Free enterprise, I thought, was the God-given right to lose money or make it. Every time there is a megaproject it is held out as if it is some kind of last hope or beacon. The people's hopes are built up and the large corporations have walked out of this country with the money time and time again.

Money is hard to come by. There is not a taxpayer in this country who does not have a sense of the importance of the Atlantic region. At this point my province is in a bit of an economic uplift. We would like to see some of our taxes go to help the poorer regions. That was our whole consensus in building this country as a confederation of nations. In good times we share with our neighbours; in bad times we expect our neighbours to share with us. No special deals, no favours, just a moral obligation as a nation. There is absolutely no resistance. There is a concern and a willingness to help the Atlantic region. I want to get that on the record clearly.

In that concern there is absolutely no desire to see the oil companies walk off with the vast amount of money that we are talking about. I have been there. I have seen how the oil companies work. I challenge the Minister of Finance to declare how much the oil companies pay in corporate income tax. In my province of British Columbia, when they were creaming off hundreds of millions of dollars selling natural gas, they did not pay one penny in corporate income tax.

When I was Minister of Finance in that province I exposed them and they took out big newspaper ads attacking me for being nasty and telling people about their private business. Do you know what I said to them? I told the oil companies to stuff it. I was sick and tired, as the leader of a government, seeing those oil companies consistently spread false information that they were good corporate citizens. They were not paying any damn money whatsoever in terms of corporate income tax, but they made a lot of money. They had depletion allowances, write–offs and everything else.

Let us go back to the problem in Newfoundland. I do not want anyone to be a tout or a leading light asking for money for oil companies, but the federal government is prepared to put up $3.8 billion. A little over $1 billion is a direct gift and the rest is in loan guarantees. Good, let's take the money; let's cut the oil companies out and sit down with the good people of Newfoundland and decide what we can do with $3 billion.

Money does not grow on trees. It seems to grow on trees for megaprojects. It seems to grow on trees for big corporations that do not pay their fair share. If the government says there is $3 billion available for Newfoundland, let Newfoundlanders sit down and decide how they can best use that money, not tie it into one huge megaproject that may be a Lorelei. My good friend, the member from Newfoundland, knows what a Lorelei is. The sailors of the past saw that little mermaid out there. They have been away from port, their morale is low, they have other needs and the Lorelei attracts them, and the crash comes.

We have had Loreleis on land in this country time and time again. This is another Lorelei. I want to tell you why it is another Lorelei. First, the premier of the province of Newfoundland, who is a good person, has emerged on the national scene in a dimension which I think has been absolutely positive. Regardless of comments made by people for political purposes, the contribution made by the premier of Newfoundland, even though he is not of my party, has been an outstanding to nation building and a national debate. I want to go on record as saying that.

The premier of Newfoundland is a guy who tells it as it is. I like that. The premier of Newfoundland is like the former Tory premier with whom I worked, Frank Moores. He is another guy who told it as it was. We were the bookends of the country. Frank Moores fought for his province as a Tory in an outstanding manner and I was proud to know Frank Moores. I do not know Wells, but I am impressed.

I want to tell you what Wells said about this project. He is not going to fib to anybody. He is not going to hold out a Lorelei image. He is telling it the way it is.

• (1340)

Premier Clyde Wells recognized that there is a tremendous amount of public money invested for limited employment. In an interview on October 2, 1989, my birthday, in *The Financial Post* he said that the number of permanent jobs generated by Hibernia would be about the size of the workforce of two fish plants. He said: "The former government is painted as a saviour. It isn't".

My new good friend, the member from Newfoundland, has pointed out that two fish plants would be welcome in Newfoundland. I agree with him. Let us investigate and find out how much fish is being picked up by National Sea Food, which received federal government grants, in its two trawlers and sent to France to be processed while National Sea Food says: "Oh, my goodness, we don't have enough fish for our own work so we have to close in Canada".

Do you know what I say to that? I am a good living person. I try to be temperate in my language, but when I hear that claptrap from a company that received grants and hand–outs from the federal government to run its ships, moved that fish over to France and closed its plants in Canada, the first thing I would say is: "Look you guys, you got Canadian taxpayers' money. You are irresponsible in moving that fish to France. You give us back every single penny you got plus interest".

I know that it is a difficult problem in Newfoundland. We had the same problem in British Columbia. The buccaneers there have run that government through

various forms of Tory administrations, alliances, coalitions and all kinds of deals. It is the same thing.

We have heard not a peep out of this government. We have not heard it say: "Bring that fish back". All we hear is the ministers saying: "Oh, we don't not have enough fish". You are damned right you do not have enough fish. It is being sold in France in ships subsidized by the Canadian taxpayers. You do not hear a word about that, do you? Not a word. All the people in Newfoundland should know it. All the people in Canada should know it.

The same thing is going to happen with this project. I believe the suggestion that it is morale lifting and spreading the good light. However, the best way to be a morale lifter and spread the good light is to tell the people of the region that we have $3 billion and decide what we can best do for ourselves in an indigenous development of our economy and tell the oil companies they can wait on the outside until we decide.

Who did it best? The canny Scots. The canny Scots in Aberdeen were faced with the same deal, but they did not chase the first carrot that arrived. They knew the oil was not going rotten under the sea. It had been there for a long time and it could last a bit longer. The canny Scots have a great word. They say "nay" and then they start talking. I suggest the same approach on this deal: "Nay. Now we will do some talking."

What is in it for us? I want to remind my good friend that the government seems to be able to find money conveniently before elections. It talked about $12 billion for submarines. Do you remember that? Of course we knew it would have been a heck of a lot more. We know what the conventional needs for our armed forces are and our armed forces should get those conventional needs met, but that is a separate story. I represent a great naval base in my area and I am proud to do that.

They find this money for the oil companies and my first response is to give this money to the government and the people of Newfoundland and tell them: "Here is $3 billion, start going right now." Not make work projects so they get their 20 weeks in for unemployment insurance. That is the most insulting kind of development possible. Is that a morale lifter? Is that light at the end of the tunnel? Does that provide dignity and self-respect on a long-term basis? Not at all. The people of Newfoundland deserve more and they deserve it in a way that makes sense, not as some kind of afterthought as a hand-out to the oil companies.

Mrs. Sparrow: There are no hand-outs.

Mr. Barrett: Let's talk about hand-outs to the oil companies. You represent the oil industry over there. You cannot even accept the fact that some people who wear turbans are Canadians. I find that disgraceful. I will not even deal with that.

Mrs. Sparrow: I never said that in my life.

Mr. Barrett: They have as much right to be in the mounted police as anyone else in this country, anyone else.

The Acting Speaker (Mr. Kempling): On a point of order, the hon. member for Calgary Southwest.

Mrs. Sparrow: Mr. Speaker, the hon. member who is speaking has accused me of being discriminatory and a racist in a particular area. I have never, ever stated in this House, or on the street, or in the public, anything that way. The hon. member is misleading this House.

The Acting Speaker (Mr. Kempling): I would ask that if the hon. member made those remarks he withdraw them.

Mr. Barrett: Mr. Speaker, I accept the hon. member's word, as we must do in this House, but I read the petitions that she presented in the House.

Mrs. Sparrow: I did not sign those petitions. I presented them on behalf of my constituents.

Mr. Barrett: Ah, being hoisted on your petard. One can refuse to present petitions in this Chamber. Yes, Mr. Speaker, one can make their position clear. Do you or do you not demand the rights of people, regardless of their religious persuasion? Will you fight for those who wear a turban to be in the RCMP as well as every other Canadian? Will you do it or not?

Mrs. Sparrow: That is totally irrelevant. I will not discuss it.

Mr. Barrett: Will you do it or not?

The Acting Speaker (Mr. Kempling): Order, please. The comments of the hon. gentleman are not relevant to the debate. I would ask him to withdraw his racist comment, if that is, indeed, what he said.

Mr. Barrett: Sir, I withdraw my comments, but I am able to reflect on what the member said herself. If I cannot do it here, then I can do it outside.

Mr. Riis: Mr. Speaker, I rise on a point of order. I appreciate the sensitivity of this issue. The hon. member for Calgary Southwest accused my friend from Esquimalt—Juan de Fuca of using the term "racist" in reference to her. I was in the Chamber and I believe that that was not a term used.

Mrs. Sparrow: He indicated I was racist.

Mr. Barrett: Oh, oh!

Mr. Riis: The point I want to make is that there is nothing to withdraw because unless you state the term—

The Acting Speaker (Mr. Kempling): Order, please. The hon. gentleman from Esquimalt—Juan de Fuca has withdrawn the comment. I would ask him to continue the debate. There is exactly six minutes left in his debating time.

Mr. Barrett: Mr. Speaker, I was distracted and I responded to the distraction. That is now history in *Hansard*, but I do hope that people of any religious persuasion will be permitted to join any civil service capacity that is available in this great country of Canada. I just want to put my position on the record. I think it would be welcome for all minorities to have the same rights in this country.

Mrs. Sparrow: Who is arguing with that?

Mr. Barrett: I was not speaking to that member. Is she feeling guilty about something? I cannot understand her immediate response to this.

Mrs. Sparrow: Oh, come off it.

Mr. Barrett: Mr. Speaker, why is she constantly interrupting when I am not even addressing her?

Mr. Deputy Speaker: Would the hon. member please address the bill before the House?

Mr. Barrett: We will let it rest there, Mr. Speaker. I believe in religious freedom, and we will let it rest there.

I want to comment further on this whole question of a commitment to oil companies.

Mrs. Sparrow: It's a commitment to the people of Newfoundland.

Mr. Barrett: Well, Mr. Speaker, it is a commitment to oil companies. If we want a commitment to the people of Newfoundland, put this money up for restructuring the economy in Newfoundland. Let me talk about—

Mr. Harvey (Edmonton East): There are far better ways to do it.

Mr. Barrett: Yes, far better ways. Let me quote from an article published July 25 in *The Financial Times*. It is not exactly a newspaper that supports the New Democratic Party. I have never seen an editorial in it supporting us. Should they wish to support us, I would consider welcoming it.

However having said that, let me go on to this. This is an article written by the dean of the faculty of management of the University of Manitoba. He said: "As a regional development scheme the project may have some merit, but not in terms of capital cost per job. Energy is one of the world's most capital intensive industries and, accordingly, is a strikingly expansive vehicle with which to deliver regional employment. Temporary construction jobs in Newfoundland will carry a capital cost in excess of $500,000 per job".

It is hard to figure after a couple hundred bucks, as the member said, but $500,000 will employ a heck of a lot of people.

• (1350)

"Permanent production jobs will carry a capital cost of several million dollars per job. Granted, oil is there, but it would be difficult to find a more expensive way to deliver either oil or jobs in Newfoundland."

Who am I to question the author of this article? All I am suggesting is that if the government has $300 million to put up, put it up and let the oil companies put up their own money. I have seen too many giveaways in the history of this country already. This government is always talking about being frugal and being careful with taxpayers' money, cutting and slashing.

They are the guys who just one week ago gave Boeing another $160 million. They are paying them to take the company off their hands. What kind of business is that? What kind of business enterprise is that in front of farmers or fishermen, to tell them you have to take $160 million of taxpayers' money to pay off Boeing to buy the plant? Dumb-bell economics. It is not so dumb if you are paying the piper who calls the tune. The Tories have represented big business in this county since the incep-

tion of their party, and when it comes to welfare for big business, they find new ways to do it every day.

That is the record, Mr. Speaker. As a consequence of that record it is my intention to move an amendment, should I find the appropriate document in front of me. The amendment is seconded by the hon. member for Edmonton East who is an outstanding colleague in this House, probably one of the most articulate spokespersons from western Canada and without a doubt the best representative from Alberta that this House presently has.

I have prepared this amendment with his advice and the help of the Clerk. I move:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-44, an act respecting the Hibernia Development Project and to amend certain acts in relation thereto, be not now read a second time, because:
>
> (1) granting the Project more than $1 billion without securing equivalent equity in the Project for the people of Canada is wrong in principle;
>
> (2) it fails to contain specific provisions which provide environmental protection measures in connection with the Project; and,
>
> (3) it fails to contain specific provisions which provide for the creation of job opportunities in relation to the Project".

I commend this amendment to you as soon as I affix my signature.

Mr. Deputy Speaker: I will take this proposed amendment under advisement and rule shortly on its admissibility.

Mr. Harvey (Edmonton East): Mr. Speaker, I listened with rapt attention to the remarks of my hon. colleague from Esquimalt—Juan de Fuca whom I am sure the entire House will agree is one of its most eloquent spokespersons. He is indeed a fine gentleman in his own right, if I may say so.

However, in listening to those remarks I could not help but overhear as well certain uncharitable comments directed his way by other members of the House to the effect that because the NDP was opposed to this bill it was therefore opposed to Hibernia in principle and was therefore opposed to the creation of meaningful well paying jobs for the citizens of Atlantic Canada in general and of Newfoundland and Labrador in particular. I was wondering if the hon. member for Esquimalt—Juan de Fuca might undertake to comment on the veracity and worthiness of those charges.

Mr. Barrett: I am surprised and pleased that my colleague would give me this opportunity to share my opinion with him since I do not think the rest of the House is really interested in what I have to say. Should there be someone who is suffering from the lack of the ability to go to sleep, they too might be interested in my answer.

I am suggesting that if the government can find $3 billion for oil companies to subsidize this project it should get an equity position.

Mrs. Sparrow: We got an equity position.

Mr. Barrett: There is the voice again. There is the voice again coming out—

Mrs. Sparrow: On the OSLO deal we got an equity position.

Mr. Barrett: Far be it from me to interrupt the debate of the member who does not have the floor. Nonetheless, I must continue.

Mr. Harvey (Edmonton East): When there's a profit pigs will fly.

Mr. Barrett: Mr. Speaker, I did not want to interrupt this debate, but I happen to have the floor.

I want to point out that if we have equity we should get a share of the profit. All we are guaranteed is a loss. That group of free enterprisers out there astounds me. My poor father, who started off as a humble merchant selling fruits and vegetables, never got a subsidy from the government. Had he got a subsidy from the government, since he sold tomatoes that at some times were not exactly of the best quality, he would have allowed anybody giving him a subsidy to have an equity position. If the tomatoes went soft, they lost money and he lost money. However, if the tomatoes lasted long enough to sell to the customers, he made money and the person with the equity position made money. If it is good enough for my dear old dad, surely it is good enough for this government.

Mrs. Sparrow: Tell us about ICBC in British Columbia.

Mr. Barrett: Now I hear this voice saying something about the ICBC in British Columbia. Yes, the Socialists brought in ICBC in British Columbia and every succeeding government has kept it and taken credit for it.

Mrs. Sparrow: The money they have lost. Come on.

Mr. Barrett: Chirp, chirp, chirp. There is something wrong with the sound system. It has a strange feedback in this Chamber. I know it can be corrected or cranked down.

Furthermore, I want to pause and reflect on the challenge my good friend has presented to me by this question. Is this project a paternalistic approach to the indigenous people of that region?

[*Translation*]

Mrs. Duplessis: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The hon. member for Louis-Hébert, on a point of order.

[*English*]

The member has lost the floor for a minute.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, I think the discriminatory attitude taken by the hon. member for the opposition when he made fun of the voice of the hon. member for Calgary Southwest was absolutely uncalled for. This reeks of discrimination, and I would like him to apologize.

[*English*]

Mr. Barrett: Mr. Speaker, I am the only one who has the floor. I cannot identify where interruptions are coming from. I mocked no one except the generic interruptions from that side. If a particular person feels offended by my generic comments, then I honour the rules of this House and withdraw.

However I would ask them, if they are going to interrupt, to please identify themselves by name so I am assured that I am not insulting them by person.

If I may continue on the point made by my colleague, it is indeed a desire of every member of this House to ensure that every region has the possibility of developing to its greatest potential. As a consequence of that I believe that if Hibernia should go it should go on the basis of its own merit, but we should not tie the economy of one province to that project. What we should do is immediately spend the $3 billion inside that province on developing other projects that the people themselves are a part of planning.

That is the way to go. Trust people. Believe in people. Let them have the sense and the ability to develop their own destiny without having some outside massive hand-outs. That is my point.

• (1400)

Some hon. members: Question.

Mr. Deputy Speaker: On a point of order, the hon. member for Edmonton East.

Mr. Harvey (Edmonton East): Mr. Speaker, if the amendment to the motion for second reading, moved by my colleague moments ago, is deemed to be in order, I would be very much desirous, as would other of my colleagues, of participating in the debate on that amendment.

I do not know what these calls for the question are at the moment. If there is no other person interested in taking part in the debate on the question for second reading, I would be delighted to move to the debate on the question of the amendment.

Mr. Deputy Speaker: After studying the matter, the Chair finds the amendment to be in order.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I stand in support of this reasoned and reasonable amendment which is asking that Bill C-44, an act respecting the Hibernia development project, be not read a second time at this point, because of three very fundamental principles that are not adequately addressed in it.

The first principle is that there is not a securement of sufficient equity for the government in the project. We have set out in the amendment that granting the project more than $1 billion without securing equivalent equity is wrong in principle.

The amendment also suggests that the current legislation fails to contain specific provisions which provide for environmental protection measures in connection with the project. At a later point in my presentation, I want to outline in more detail why that factor is in itself so critically important to whether this project should or should not go ahead.

The last provision is also a very salient point. The current legislation fails to contain specific provisions which provide for the creation of job opportunities in relation to the project.

I would like to start by going to the last point first. I come from an area in British Columbia where, like my colleague from Esquimalt—Juan de Fuca, I have seen the cumulative economic impact, or lack thereof, of many of the megaproject developments which have gone on in our province. I speak of projects such as the Columbia River Power Treaty. In that measure a massive investment of taxpayers' money went into creating cheap power and cheap water for agricultural communities in Washington and Oregon, communities which are now competing with and keeping our agricultural communities out of the market.

Some of these projects are incredibly expensive. Let us look, for example, at the Northeast Coal project that was developed years ago. That project was developed under the British Columbia government of Bill Bennett. It involved millions and millions of taxpayers' dollars to develop the coal fields in the northeastern part of British Columbia.

To begin with, after investing all that money, they even put the hole in the wrong place. Millions and millions of taxpayers' dollars went into the creation of an energy project which saw very little return in terms of actual job creation. Certainly, there were jobs created. But when you look at the cost of capital investment necessary there was a million dollars of capital investment that was necessary to create one long-term job in the Northeast Coal fields.

Now, when we are competing with our Australian counterparts for the Japanese coal market, we find that the Northeast Coal project is not able to recover the costs that we were hoping it would be able to recover when the project was initially started. Millions of taxpayers' dollars have gone to create temporary jobs.

If you took $1 million of capital investment—and that is what it was to create one job in Northeast Coal—and you put that money into the community into, for example, the small business sector you could create 10 times the number of jobs that you could for one long-term job in the capital intensive industry such as in the energy sector. Some $50,000 to $100,000 of capital investment will create jobs in the small business sector. It will also create ten times the economic spinoff in terms of job creation.

Yes, we believe in job creation and, like my colleague from Esquimalt—Juan de Fuca, I think all Canadians are vitally concerned about what is happening in our Atlantic provinces, in Newfoundland, with respect to the economic difficulties that they are involved in at this time. We want to help out. But I think all Canadians, as well as those residents in the Atlantic provinces, also want to make sure that we get the biggest bang for our buck. That certainly cannot be achieved in capital intensive projects such as we have seen with Northeast Coal in British Columbia or in Atlantic Canada with the Hibernia project.

We want to create the most jobs with the money that we do have available. That is why we oppose this bill. We believe it to be an inefficient means of job creation.

We oppose the bill because here we are utilizing federal money without really consulting the people in the communities about whether or not they have some better ideas about how that money should be put to use in creating jobs that will be around for a few years throughout their communities.

When this bill was first introduced on November 7, my New Democratic colleagues and I issued a series of conditions that we felt should be satisfied in order to win support for the project. My colleague from Edmonton East, who I think has so eloquently spoken on this issue a number of times, dealt extensively with these four conditions in his remarks of December 18.

What are those conditions? I would like to review them very briefly.

• (1410)

First, there should be no investment of public money without equivalent equity being held by the Crown. It is a fundamental tenet of economic development that there should be no give-aways of taxpayers' money, be it federal, provincial or otherwise. There should not be any give-aways of public money, unless there is an equity position for the government to be attained.

The Alberta government made sure it had equity in its Syncrude project. There is no essential equity of investment for Canadian taxpayers' dollars going into this Hibernia project.

The second principle which I think very important is that there should be guarantees in the agreements among the parties that the production costs will not be subsidized by the public purse now or in the future.

Third, the expenditures by the federal government on research, development and the commercialization of energy alternatives and conservation must be restored to a minimum of the $400 million budgeted for it in 1984. I think all members of this House would agree that there are great opportunities for job creation in this field, small-scale, community-based projects for energy alternatives which will benefit ordinary people, not only in Newfoundland but throughout this country. This is a very important principle and, when we dive into these mega-projects of exploration opportunities for coal fields and oil fields, we sometimes neglect some of the alternative projects we could be developing.

A fourth important point is that concrete steps and guarantees must be put in place to minimize the environmental impacts of the Hibernia project, as well as any other energy project. This should include the assurance that, within the framework of reducing Canada's carbon dioxide emissions, which are the by-product of burning our fossil fuels, we should be reducing those emissions by at least 20 per cent by the year 2005 to combat the problem that we are experiencing even now. That problem is global warming due to the greenhouse effect caused by the increased concentration of carbon dioxide gases in our atmosphere.

This project is not going to help in that respect. Once again, we are tapping our resource of fossil fuels and utilizing fossil fuel products for our energy sources. It is high time that this government put its money where its mouth is in terms of taking on its supposed commitment to the exploration of energy alternatives, something which will utilize other fuel sources. For example, there is hydrogen which, when combined with oxygen in the process of combustion, produces a very simple by-product which is environmentally harmless—water. Those are the kinds of energy alternatives that we should be exploring rather than simply blundering again into the utilization of our coal fields and oil reserves.

I think I speak for everybody in my caucus when I say that we take very seriously the recommendations made by the Brundtland Commission. The main thrust of the report of that commission was that any kind of economic development taking place has to go hand-in-hand with the need for sensitive environmental planning, a stewardship to ensure the kinds of economic development that we fund and pursue are in harmony with our environmental objectives.

I suggest to you, Mr. Speaker, that economics aside, the Hibernia project does not take that into consideration.

The environmental problems that we are running up against today in Canada and throughout the world are becoming increasingly critical. As I mentioned before, the greenhouse effect brought on in large measure by the use of our fossil fuels is having very significant impacts, on a global scale, on our climatic conditions. One of those conditions is the reduction in available sunlight in photosynthesis for aquatic plants. It is changing in a myriad of ways the whole balance in our biosphere and in the ecosystems throughout the world. The longer we continue to ignore those important problems the greater the ultimate crisis will become.

The points that my colleague from Edmonton brought before this House earlier are reasonable conditions for any energy project that is to be considered. The government could have pursued a bill on Hibernia that did satisfy these sensible and reasonable requests. But it chose not to do so. As a result the projects that have resulted will provide comparatively few jobs. I mentioned before a case where it took a million dollars of capital investment to create one job. When I say that that is not getting the biggest bang for the buck I think we would all agree with that.

Newfoundland needs real economic development. Hibernia could help with that. We do not have any argument in that regard. But that is not likely to happen with this current bill because many of the potential benefits to Newfoundland and Labrador have been squandered and ignored by this current piece of legislation.

I would like to deal with the other principles in the reasoned amendment before the House. However, before I do that I would like to outline or review a bit of the history of the Hibernia project.

It is a project that has been a dizzying roller-coaster of raised expectations and dashed hopes for our Atlantic friends. When the first major oil discovery was made in the Grand Banks back in 1979 the expectation was that Newfoundland would blossom to become what they called at that time the Norway of North America. Unfortunately, the first estimates of the amount of oil contained in the oil fields were soon proved to be much too optimistic, too high.

In 1979, it was estimated that the Hibernia fields contained about 1.8 billion barrels of oil. By 1985, the estimate was in fact much lower. The field is estimated to contain between 800 million and 900 million barrels—nothing to sneeze at but certainly not the great expectations that we had in 1979.

The most recent estimate with respect to the Hibernia reserves has lowered it to between just 500 million and 650 million barrels. We can see that it does not have the great potential we thought it had when the oil fields were discovered initially.

The estimates of the benefits from the project that would have been enjoyed by Newfoundlanders have similarly declined steadily. Initially, Newfoundlanders believed that the province owned this off-shore resource and that it would be used mainly to provide much-needed jobs to boost the Newfoundland economy.

This hope of exclusive provincial ownership and control was dashed by the rulings of the Supreme Court of Newfoundland and the Supreme Court of Canada in 1983 and 1984. Basically, it was ruled that the federal government would have jurisdiction over this off-shore mineral resource.

The Atlantic Accord, a long-term agreement on the joint management of off-shore oil and gas development, was signed in 1985. But, as Newfoundlanders know only too well, the agreement does not change the simple fact that Hibernia will not in itself transform their provincial economy.

On top of the disappointing realization that Hibernia would not be the bonanza that was initially thought, politicians have repeatedly used the promise of the project, quite frankly, for crass political purposes. They have repeatedly raised the hopes of the people of Newfoundland by making the big glitzy announcements, the deals, strangely enough either just before or during election campaigns. We all know how quickly promises evaporate once an election is over and done with. We all know how quickly those promises have evaporated in the past. You cannot blame people for being a bit reluctant to accept the promises this government has continued to make in terms of its commitment to some of its election goodies.

• (1420)

The project was announced once in 1979. It was announced again in 1982 and yet again in the 1988 federal election when the federal Conservatives made Hibernia an important plank in their Atlantic Canada platform. Each time the impression was given that a final deal was completed, that it was wrapped up, that it was in the bag, that it was just a matter of putting the bells and whistles on it, and this would mean great things for Newfoundland.

This is what the Prime Minister said at the time during a pre-election stop in St. John's, on July 18, 1988:

> Hibernia has been the dream of the people of Newfoundland and Labrador for decades. Today, the dream has been realized.

In the midst of the last election campaign on October 6, 1988, the Prime Minister, once again, waxed lyrical about the project, as he is often wont to do. He said: "For me, Brian Mulroney, Hibernia meant a lot more than barrels of oil. Hibernia, to me, was about dignity. Hibernia is about the future, about jobs for our kids. It is about a new tomorrow".

For his part Trade Minister John Crosbie told more than 1,000 invited guests in St. John's that the announcement has nothing to do with politics, it has to do with simple justice. That was in 1988.

I am certain the government will try again somehow to blame the opposition for holding up Hibernia.

I will summarize by making it very, very clear that we in the New Democratic Party are not opposed to the Hibernia project. What we are opposed to is the fact that the federal dollars involved in creating Hibernia could better be spent on a community-by-community basis developing the kinds of projects that Newfoundlanders

themselves feel are the best means for economic development and job creation in their province.

Mr. Funk: Mr. Speaker, in the same context, but perhaps expanding it a bit, I was just wondering if the hon. member could comment on what the effect of this headlong rush into megaproject development, not only Hibernia, but across the country might be in light of the free trade agreement.

My understanding of the free trade agreement is that once we achieve a certain level of export to the United States that level of export then becomes the bottom line of what we have to make available to the Americans in perpetuity through the free trade agreement. For example, if 60 per cent of our production of oil or 50 per cent of our production of gas is committed to the Americans at a certain point in time, then from then on forward that will be the production level.

I found it very interesting when the member commented that we should make incremental kinds of investments in our energy future, including investments in conservation and so on which would benefit Newfoundland communities and all others. Might that not also be a more intelligent way to go about it, rather than at this time rush into a whole series of megaprojects, the bulk of which products go to export? That will place us in a position whereby our non-renewable hydrocarbons will be locked into an export pattern we will not be able to get out of.

Mr. MacWilliam: Mr. Speaker, I believe the member has posed a very salient question. It is also a very important question in terms of the impact of the free trade agreement on our energy resources.

There is no question that the free trade agreement as is signed and implemented today has far more to do with access to Canada's resources than it has to do with the reduction of tariff barriers. That is why we initially opposed the free trade agreement before it was implemented. That is why we continue to oppose it today.

The fact is that the FTA is really an attempt by our neighbour to the south to access our vital resources, our energy supplies, our electricity and hydro supplies, our water—in fact, the lifeblood of Canada.

The section of the agreement dealing with energy basically says that once contracts have been established for the provision of Canadian energy supplies to U.S. markets and once that trade has taken place, the federal government of Canada or a provincial government loses control of that resource. That is so because in times of energy crisis they can no longer cut back on exported supplies of that energy without cutting back an equivalent amount on our own domestic supplies. That is what is so wrong with that aspect of the trade agreement.

These megaprojects are exploring our resource base and opening up these resources, a major portion of which we know darn well will then be exported to our southern neighbours. Once we have established those export markets, if we have to cut back 10 per cent on our export supply, the free trade agreement says: "You can't cut back on 10 per cent of the export supply to the U.S. unless you cut back an equivalent amount in your own domestic consumption". That means we are losing control and the husbandry of our own natural resources.

In light of that, the development of these megaprojects has to be very seriously questioned indeed.

Mr. Worthy: Mr. Speaker, I have a question for the hon. member.

I have to say that I have enjoyed the debate today on government participation in megaprojects. It is debated in our small post offices in the Cariboo—Chilcotin. It is debated over office coffee urns, in our beer parlours and at our church socials. It is a subject that is very important to a lot of people in Canada. I do not know that there is anybody wise enough to give the ultimate answer.

The hon. member supports the motion to squash what is considered by the people of Newfoundland to be their opportunity. They want the Government of Canada to help them help themselves. It is easy for people to squash a project that is considered important by people on the other side of the country.

My question for the member is this. There are projects in British Columbia in which the federal government's presence and assistance is necessary. Would the hon. member be prepared to have the federal government also squash the gas line to Vancouver Island and the icebreaker that will be there to assist our shipbuilding industry in British Columbia?

Mr. MacWilliam: Mr. Speaker, I think the hon. member has missed a very vital point in my argument. The argument is not to squash the project. The argument is that if we go ahead with it we want some assurances that the federal government has equity in the project. We want some assurances that there are environmental impact assessments done with respect to the project. We want some assurances that the long-term interests of our energy supplies are secured before this project goes ahead.

We want to make sure that the $3.1 billion in investments is used by the people of Newfoundland rather than being squandered away by giving it to the multinational oil companies. We want to assess the rationale for using $1 million in capital investment to create one job, or whether perhaps it makes more sense to take that $3.1 billion and use it in other sectors of the economy where you are going to produce 10 to 50 times the number of jobs for every dollar you spend.

It is a matter of putting the bucks where you are going to get the biggest bang for them. I think that that makes ultimate economic sense.

• (1430)

Ms. Callbeck: Mr. Speaker, I have a comment on this amendment. When I look at a copy of it, it seems to me it is there simply to stall this bill. We would like to see the Hibernia bill go to committee. I think there are a lot of technical details in it. We want it to go to committee so we have the opportunity to hear witnesses and to make improvements in this legislation.

The NDP say that they want assurances. We also want assurances. This amendment shows that the NDP members are more concerned with technical details. I think the place to deal with these details is in committee and that is what we would like to recommend because we want to get on with this process which is advantageous to Atlantic Canada.

Mr. MacWilliam: Mr. Speaker, I want to point out that the member may wish to peruse the exact wording of the reasoned amendment. Nothing in this amendment can, in fact, be dealt with in committee. These amendments are far more than simply housekeeping measures and changes in wording. It changes, in fact, the principle of the legislation. What she calls technical details and housekeeping measures are about whether or not the Canadian taxpayer deserves the right of equity financing in projects of this sort, or whether we are going to give $3.1 billion holus-bolus to multinational investments.

The amendment is concerned with whether or not there are adequate provisions for environmental safeguards in this project. Every Canadian citizen knows that the major concerns in this country—the major concern globally—are environmental issues. This government has itself given the commitment, at least it has paid lip service to the commitment, that all projects would receive an environmental assessment as to whether or not they should proceed. This is far more than simple housekeeping. The creation of jobs for people in Newfoundland is far more than a simple housekeeping measure.

Megaprojects are capital intensive. They do not create enough jobs for the amount of money spent. Our position is that perhaps there could be other mechanisms by which we get the biggest bang for the buck.

Mr. Harvey (Edmonton East): Mr. Speaker, I had actually hoped to catch Your Honour's eye before now, because I wanted to say that I found the recitation of the history of the project that the hon. member was relating to the House a most interesting one. I was hoping that I could invite him to continue with that recitation in the time remaining so that all members might be further enlightened.

Mr. MacWilliam: Mr. Speaker, you caught me unaware on that one. Because I had summarized somewhat it will take me half a second to go back to where I was before.

We talked about the historical aspect of Hibernia and the number of promises that have been made time and time again by this government in regard to the development of the project.

Let us have a look at what is actually in Bill C-44. In a nutshell, the bill is meant to give the federal government the statutory authority to enter into one or more legally binding agreements based on the statement of principles signed in July, 1988. It sets out how the federal government will spend money on the project.

Mr. Speaker, in the very brief time I have remaining I want to point out that we are talking about a great deal of money. We are talking about $1.04 billion toward capital costs, $1.66 billion in loan guarantees for capital projects, $.175 billion in loan guarantees for temporary financing; $.3 billion is a loan. No cap on the amount contributed as interest. $3.139 billion in taxpayers' money is a lot of money. Is it a wise use of that money?

That is all we are asking. Does the legislation that is before us set out a mechanism for the judicious use of federal taxpayers' money?

Let me emphasize once again that we do not oppose Hibernia in principle. We do oppose the fiscal arrangements that are set out in this piece of legislation.

Mr. Deputy Speaker: It being 2.34 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

EMPLOYMENT

JOB-CREATION STRATEGIES

Mr. Ray Funk (Prince Albert—Churchill River) moved:

> That, in the opinion of this House, the government should consider the advisability of ensuring that federal job-creation strategies emphasize job opportunities that extend beyond the industrial and commercial sectors and include the arts, culture, social and voluntary services, and community-based enterprises.

He said: Mr. Speaker, I think it is quite appropriate that this private members' motion, which I am introducing comes before us on this particular day. It is a day on which we see the contrast of philosophies, with the government promoting, on the one hand, massive investments of billions of dollars in megaprojects. This money will, in large part, end up in the hands of large multinational corporations, for each dollar invested will yield very little in terms of job creation in a region of the country where such job creation is so badly needed. On the other hand, earlier today, we had the Minister of Employment make an announcement with regard to one of the government's major employment creation projects, the Challenge '90 project, which, through a series of smoke and mirrors, ends up being even less of a program than it was before. This program was very useful in communities from coast to coast, communities that every one of us represent. I think it is very appropriate that we address this particular question, on the one hand, a community-based development philosophy and on the other a megaproject-big business type of philosophy.

One of the things that concerns me very much, as a member of this House and as a witness to what is happening to our communities, to our economy and to our country, is that this government seems to be lost in a dark ideological tunnel that seems to have no turns. I find it hard to comprehend why that should be true because, as I get to know members opposite better on a personal basis and work with them in committees and so on and discuss issues with them, I realize that in many ways the partisan differences between us tend to blur when it comes to concern about our communities and interest in local projects and the kind of things that we support from day to day as members of Parliament.

Therefore, it seems incongruous to me that these same members then end up voting and supporting a point of view in a series of legislative initiatives that fly in the face of the kind of work they do and take a great interest in as individual members.

I have come to the conclusion that the government opposite is much less than the sum of its parts. I think there are three basic issues inherent in the question we are addressing today. One is a very fundamental problem with the values this government lives by and which it promotes as being those that Canadians should emulate. It is very much a bottom line orientation towards life, an orientation that says that if you are not part of big business, if you are not the rat race, if your goals are not to get ahead as fast as you can economically, if you are not prepared to get there and elbow your way through different kinds of economic competitive environments, then you do not have a place in society. If you are not turned on by the vision of capital flowing back and forth through capital markets around the world day and night, if you do not follow the stock market very closely, if these things are not of interest to you and if that is not where your life revolves then somehow or other you are a second-class citizen and this government does not really have a role to play in your life.

• (1440)

It seems especially ironic that the historic Conservative party should end up in that kind of a values vacuum. I had always seen the Conservative party partly that way because my constituency was represented by the late John Diefenbaker, and perhaps because the old British Tory tradition of conservatism respected community life, family life, and applauded local grassroots initiative.

Instead, what we see is a headlong rush into the materialistic type of big business–oriented philosophy that leaves our society not only socially much poorer, but in many ways, spiritually much poorer. Ultimately, it gets us on a environmental treadmill that we will not be able to get off. In fact, it holds within it its own seeds of destruction.

I might comment in that regard on what is happening in eastern Europe. My own family roots are in eastern European. My family was forced to leave the Soviet Union in 1927. If the bankers take our farm away in Saskatchewan, perhaps Mikhail Gorbachev might give our farm back in the Soviet Union, in view of the changes that are happening there.

Nevertheless, I have heard a lot of comments from people espousing neo–conservative, right wing ideas. But what is happening in eastern Europe is, in fact, a sudden conversion to a completely capitalist, free enterprise kind of thinking.

I think that is certainly part of the answer. I know that there people have been very frustrated, as our family was, with the inability of individuals and communities to make their own economic decisions. But there was also a structure evolving in that country that was oriented from the top down, where individuals and communities had no control.

I think that can happen in a private enterprise economy as it did in a communist economy. We are seeing in our country that people are feeling less and less in control of their lives. The values that are driving this culture, the same as they did there—it was called economic materialism—are giving rise to a right wing version of economic materialism that is just as destructive to individuals and communities as the communistic type of economic materialism was in eastern Europe.

Another problem with this government is that it recognizes only two–thirds of the economy and of that two–thirds, it only supports one–third. If you analyze the economy, it has three sectors, not two. There is a corporate business sector, a public sector basically evolving around different levels of government, and then there is a community sector which includes voluntary organizations. They, in turn, include organizations, such as small family–owned businesses, community development corporations and co–operatives; all the kinds of little grassroot local activities that people carry on in the economic sphere. I think that it is just as important, perhaps more important, to help people live in our communities as it is the big government and private sectors. This government has really lost sight of that in spite of the fact that it represents those same communities as I do.

I might also comment that if you look at the economic history of the country those sectors are the ones that are durable in tough times and are the ones that have endured.

The other problem is that this government is proceeding without a full employment policy. The interest rate policies of the Bank of Canada under its Governor, John Crow, make it very clear that fighting inflation by creating exorbitantly high interest rates is much more of a priority to this government than full employment. In fact, the government does not even talk about full employment. It becomes quite clear that the corporate agenda is to force wages down, which it thinks it has to do in order to compete economically in the world, requires high unemployment. In that way people will not make higher wage demands and develop expectations that this government does not want ordinary Canadians to be able to realize. If you look at the successful economies of the world that are competing successfully and are making progress, the economies of western Europe, the economies of Japan and so on, you will see that those economies have very focused emphasis on full employment and on ensuring that everybody has a role to play in the economy.

In fact I have heard it argued that one of the reasons we are having so much trouble financing our social programs and one of the reasons the country is continually clawing back and cutting and making it more and more difficult for a lot of these social programs to survive is because social programs have not been tied to

a full employment program. Surely a full employment program is the most successful social program you can have for a great number of people.

I started by mentioning the Challenge program that was introduced today and I would like to return to that as an example of what I am talking about. This program, at least in a limited way, gives young people some opportunity to get experience in the job market. It also gives local communities a source of funding to get some local projects completed and to do interesting things that benefit the communities. But what did we see happen today? There was an announcement, which on the face of it has some merit, about the stay-in-school program. There was a big announcement that it was funded to the tune of $296 million. In much smaller print was the fact that that $296 million was spread over five years and in fact amounted to $60 million a year.

But where did that money come from? The money came out of what is called the SEED program. We have $60 million going toward staying in school this year. We have a loss in the SEED program which was the program available to post-secondary education students. $41.8 million was taken out of that program in the same year—a 35 per cent cut. All that has happened is that high school students are getting some support to stay in school at the expense of university students who will now have to take even bigger student loans, or find jobs in a very tough job market and pay back student loans at exorbitant rates of interest. That is hardly progress.

In the La Ronge region of my constituency, when last year ended, the Challenge Program had applications for $1.2 million of funding, while only $247,000 of funding was available. This left many very frustrated community groups that were not able to complete their projects and a lot of frustrated students. I have talked to many other members who said it was also true in their constituencies. It turned out to be a program that in many ways perhaps turned out doing more harm than good. This is in a constituency where only 23.15 per cent of the people between 15 and 65 are listed as working. In other words, it is a constituency with 77 per cent unemployment, according to Statistics Canada.

I would also like to make some proposals, as I did in my motion, as to how the government might come to terms with its very short-sighted and incomplete approach to job creation.

I think what has happened in Quebec has given us a fine example of how encouragement for the arts and culture not only benefits arts and culture and the people who are interested in pursuing those but has also given a real boost to that province as a whole. I am thinking of the self-confidence, not only in the cultural and nationalistic sense that we see arising in the province of Quebec but also of the success in entrepreneurial business areas. It comes from the fact that Quebecers have been able to develop a sense of themselves of which they are proud. I think that comes very much from the support for arts and culture that has happened in that province.

On the other hand what do we see in English Canada? Lately we have seen the CBC cuts which were only the latest in a whole series of cuts to the CBC. I know that a lot of those were designed to trim fat in head office and one thing or another but it also has become very clear at least in my province that a very valuable children's program, *Switchback,* was cut. That program was produced in Regina and provided employment for local artists and producers and it was the only alternative for children in Saskatchewan to the type of video shows and game shows the commercial networks provide. Part of the CBC cut was the *Switchback* program. There is also a real threat to the small remote stations that tie the remote communities in this country together.

• (1450)

In my riding we have Emma Lake Art Camp, which is an internationally renowned centre. It is a gathering spot and training ground for artists. For many years it has been struggling to survive as a teaching institution and as a place on the map.

We have local native singers and dancers who cannot get funding to answer an invitation to make a European tour, even though they were judged good enough to perform at the opening of the Museum of Civilization last spring.

A French cultural centre is being proposed which is being bucked by the provincial government and given only lukewarm attention by the federal government. When I looked at the CIC figures, only two out of 294 jobs listed at the local manpower office are in the recreational and cultural areas.

What we have seen is a shift, in accordance with the same value structure, of support for the arts from public institutions to the corporate sector. What that means is,

first of all, the kind of arts that are supported are those that the corporate sector chooses as being sympathetic to its way of thinking. Second, it perpetrates the centralization of artistic activity of which both public and private institutions are guilty. The big corporations that can afford to fund arts and culture are centred in the big cities and that is where they invest their money. Therefore, the hinterlands of Canada, the small communities, do not benefit. The cultural life of the hinterlands of Canada is stagnating as a result.

A second aspect is the voluntary and social service sectors in this country. Through those sectors, 175,000 people are employed full-time 200,000 man years of voluntary time are donated through the voluntary and social service agency networks. There are all kinds of social needs that need to be met. There are all kinds of people out there who would like to meet them. There are all kinds of studies that say this is a cost-effective way to spend money in terms of return to the economy and multiplier effects in communities and so on. But yet, what do we see? We see large cuts in transfer payments that funded those kinds of programs at that level. We saw a 15 per cent cut in Secretary of State programs last year federally. We are warned of even bigger cuts this year. We saw cuts to the ODA programs.

Again, local initiatives are being left begging, while megaprojects and big business get their way with this government.

The last point I would like to raise is that of community based enterprises. This country has a proud history of development of co-operatives and community development organizations. We are renowned world-wide for this ability. People come here to do research on how to start local grassroots enterprises. But when we see the programs coming out of this government like the CAED program and the aboriginal economic program, when you look at our regional development programs, WDO, look at community futures, when you look at all of these programs, community development organizations and co-operatives take a seat so far back that you cannot even see them from the front. I know that many people who work with these programs are very frustrated by the fact that guidelines are written in such a way that these kind of locally based initiatives find it very difficult, first of all, to make it through all the hoops and the feasibility studies that it takes to get money.

Second, so often the criteria involved make it impossible for them to access this money. Again, we have a situation where those who really do not need the money can get it, and those who do need the money cannot.

The last point I would like to raise is the whole question of the environment. There is a new employment for local communities opening up in the environmental area; monitoring the environment, cleaning up the mess we made before; participating in local energy development programs. The kind of things that all of us recognize are the wave of the future and would operate best on a local community basis.

In closing, I would like to call on this government to do three things. One is recognize that a third community based sector does exist in this country and does deserve support.

Second, the third sector is the most cost effective, the most positive way to develop local communities and, in fact, to develop the economy. Third, I would like the government to recognize that life is more than being part of the international, big business rat race. I would like members of this government to support this motion and to make the point that we do recognize the value of community life. We do recognize that locally based initiatives are worth supporting.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I listened with care to what my hon. friend said. I think that the late great John Diefenbaker would not be ashamed of him at all. I think he has done his homework. Mr. Diefenbaker would not agree entirely with his ideological point of view, but I think he would respect the work that the hon. member put into his thoughts and into his speech.

As the hon. member appreciates what I am about to say, he will find himself returning to his natural roots of conservativism. Perhaps even his riding will some day under his leadership do the same. I would invite the hon. member some day to come with me into the bosom of the Department of Communications where, just the other day, I spent several hours discussing cultural initiatives in the provinces of Saskatchewan, Manitoba and Alberta. I recognize the centralist tendency that he alludes to. It is one that I have been concerned about as well. I can assure him that there are those of us in government who

are working to combat that natural tendency of a system such as ours seems to have built into it.

The Canadian Jobs Strategy introduced in September, 1985 focuses on training and development in the Canadian labour market through the six programs created by the strategy. Many organizations and individuals in the cultural sector have benefited from the opportunity to develop their skills and enjoy newly created employment possibilities. There is no question that the cultural sector is of great importance socially and economically in the life of our country. It is the fourth leading creator of employment. Our cultural industries, including broadcasting, directly employ more than 185,000 Canadian and are one of the fastest growing sectors of our economy.

In terms of social significance, our nation's creators have won international recognition and secured our reputation as a vibrant, creative and vital people. Artists form the cornerstone of our distinct identity as Canadians. As the Minister of Communications so aptly noted in outlining the status of the artist's initiative recently before the Standing Committee on Communications and Culture a society without artists is a society without identity.

[*Translation*]

The Canadian Jobs Strategy acknowledges the cultural sector's contribution to our society. Interested members of the cultural community can apply for assistance offered under any of the following programs included in the Strategy: Skill Investment, Job Entry, Job Development, Skill Shortages, Innovations, Community Futures and summer employment programs for young people.

Employment and Immigration Canada gives a broad definition of the cultural sector which includes visual arts, literature, interpretative arts, heritage activities including museums, art galleries, archives and libraries, and our cultural industries including radio and television, film, video, sound recording and editing.

Mr. Speaker, I am sure you will agree that the broad range of activities that can be supported by the Canadian Jobs Strategy reflects a sincere and substantial commitment by the government to Canada's cultural development.

I would like to mention some specific initiatives that are now a possibility in the cultural sector, through the financial support of the Jobs Strategy.

Skill Investment provides assistance in training workers affected by technological or market change. They are helped to re-train or acquire new skills.

[*English*]

In Alberta, a sound production company is developing the music engineering and studio technical skills of employees under the small business training option.

In Prince Edward Island, an art gallery intern at the Confederation Centre for the Arts was able to attend a three-week Banff School of Management program with assistance toward tuition and transportation.

• (1500)

In Ontario, an association representing workers in the Canadian film industry, including self-employed workers, is developing a training trust fund with Employment and Immigration Canada which will enable its members to upgrade various technical skills.

The objective of the Job Entry Program is to assist youth and women having difficulty making the transition from school or home to the labour market. A project in Thunder Bay for youth from small communities who have an interest in the arts is providing training in arts management and entrepreneurial skills, along with practical experience in arts organizations.

In Fredericton, New Brunswick, 20 women have been trained to become archivists. Some projects have provided training and work experience for people wanting to be library assistants and apprentice theatre managers. Other projects are developing skills in broadcast sales, marketing and journalism.

Through another Canadian Jobs Strategy initiative, the Job Development Program, people have been hired to work on projects to develop the management, production, technical or curatorial skills which will qualify them for long-term positions. For example, the Aerospace Museum of Calgary is training eight individuals to repair and rebuild three World War II aircraft and set up an aviation library.

In Sioux Lookout, three native people are being trained for work in the media. Dance companies, theatre companies, orchestras, art galleries, cultural centres and libraries are among the many other organizations benefiting from this imaginative enterprise.

The Skill Shortages Program provides assistance when employers are unable to find workers with occupational skills which have been designated, nationally or regionally, as being in short supply.

With funding from the Skill Shortages Program, the Canadian Opera Company is managing a three year training program for opera singers, fund raising consultants and technical personnel. People are being trained in several other artistic and administrative occupations in regions where shortages exist.

Prince Edward Island, arts administration and video production skills are being developed by an art gallery, arts centre and video production company.

In Alberta and Nova Scotia, arts administrators and stage managers have been trained.

Another component of the Canadian Jobs Strategy, the Labour Markets Innovations Program, is designed to assist individuals and groups to develop and implement innovative responses to particular market situations. Participation is open to groups or individuals anywhere in Canada.

Examples of innovations projects are the Dancer Transition Center, which assists professional dancers to move from active performance into a second career; the Academy of Canadian Cinema and Television's national apprenticeship program for young Canadian film makers; the Festival of New Canadian Plays, being developed by Alberta theatre projects, which aims to demonstrate to potential corporate investors the viability and importance of Canadian plays; and a Musical Performance and Communication Project designed to improve employment prospects for musicians.

These programs represent a substantial investment in our future by the Government of Canada. They are providing the training which the talented men and women in our cultural sector need to improve their skills.

They also enable young people to enter demanding professions which today call for a high level of training and expertise.

Earlier this year, the government announced that it intended to build on the success achieved by the Canadian Jobs Strategy. A commitment was made to maintain annual funding for the strategy at the present level of $1.8 billion. In addition, with the announcement of a new labour force development strategy, and the reallocation of $1.3 billion in unemployment insurance expenditures, the sum of $800 million was committed to assist in upgrading the skills of the labour force. These additional funds offer new opportunities for the cultural sector.

The art of promoting our culture and unique identity should not fall on the shoulders of the Minister of Communications alone. It is the responsibility of all of us who take pride in calling ourselves Canadians.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the member opposite just read out an impressive list. I find that a little sad because it is easy to take select examples and say we are doing good things. The government does have some good programs.

What is missing, obviously, is an overall view of where our economy and society is going with a comprehensive meshing of policies. We on this side of this House have expressed our concerns about the Labour Force Development Strategy and various other elements of economic policies of the government because they do not seem to be leading anywhere.

• (1505)

I want to discuss the problems as I see them in the context of this motion before the House today. This morning's announcement by the Minister of Employment and Immigration typified the lack of fundamental understanding on the part of the government of some of the problems the country faces, businesses face and some of the problems our young people face. It is reflective also of the unwillingness of the government to commit the resources in order to invest in the future of the economy and the people of Canada in the most productive way for our economic future.

First, the minister takes money from the summer jobs program for young people, money which helps with their

education and is vital to our economy. She then puts it into programs to keep young people in high school.

While it is extremely crucial that our young people stay in school and get the kind of education they need, there is no recognition by the government of why young people drop out of school. There is one fundamental factor. If you grow up in a poor household in Canada you are four times as likely to drop out of high school before you have the education you need.

That indicates to me is in fact that poverty is a fundamental cause of school dropouts. It does not make sense to take money from one group of people who are pursuing their education to give it to others so that they will stay in school without recognizing the reason they are dropping out of school is poverty. At the same time, it is cutting back the kinds of transfer payments to the provinces that ultimately deal with the fundamental problem of poverty which keeps people dropping out of school. It just does not make any sense. It is patchwork at its worst.

One-fifth of money allocated to keeping young people in school is going to go to the information programs, which is propaganda about what a wonderful job the government is doing and which provides healthy contracts for friends of the government. That is not what our young people need.

I want to talk about the Community Development Initiatives. I think it is a great benefit when one comes into this House to have been in touch with what happens in communities, with the dynamics of communities and the strengths of communities. I had this experience through nine years in municipal government, as have many of my colleagues in the House. This experience allows one to know the strength of communities and to bring into play all the resources of a community to resolve problems such as high unemployment, untrained people, poverty in our communities, and to put all those strengths to work to create solutions which will work because they are developed by the people of a community who know their needs best.

We see elements in the government's current programs that not only do not support it, but militate against that happening. We see a requirement that somebody be out of work for six months and on unemployment insurance before they can get into training programs. That only allows people six months to sink further and further into the concept that they cannot do anything for themselves, that they are incompetent and incapable. When they finally enter a training program with those attitudes, reinforced by six months of unemployment, it is no wonder they do not do as well as they might.

This year several programs in my own community were held up for up to a year because the government, instead of trying to put back in money that it has taken out of training programs and job creation programs, was waiting for the provinces to come up with the money. Programs that were under way and staffed had to close for a year while the government made up its mind whether it was or it was not going to fund them.

Resources continue to be depleted to those programs. Now we are turning to the unemployed and asking them to give up money required for food and shelter for their families, to give up that money which is essential in order to pay for training and make up for the cuts the government has made over the last number of years.

The Challenge '90 program was cut back last year and it is getting cut back again. What was the effect of that?

• (1510)

The effect of that in my own riding and, I am sure across the country, was that extremely worth-while projects were cut. Many of these programs were operated by volunteer organizations which created jobs for young people and gave them a sense of commitment to their community and a stake in their community. These were programs that helped young children in poverty to have a worth-while summer experience, to feel that they were were worth while so maybe they will grow up and stay in school instead of dropping out.

Voluntary organizations produce up to 10 times the value of the dollars we put into them. That is not true of money we put into businesses. Often we are just paying for an employee the business would have hired in any case. Voluntary organizations can give a young person or anybody a work experience that involves them in their community, that gives them a commitment to their community and makes them see that education is rele-

vant, that it has concrete results for society and for their own neighbours and friends.

These are the sorts of programs that we should be funding and which are especially important now when cut-backs to voluntary organizations are rampant and when volunteers are not able to function. There are still volunteers, but they still need paper to mail things out and still need the ability of staff people to support the their efforts. When those are missing we are losing a lot of the value of our voluntary organizations.

I want to expand the discussion because it really is a bigger question than job development, job-creation projects or training projects. It is a question of those much larger multibillion dollar programs that the government has, theoretically, to support employment and job creation in this country. But again today we see unemployment on the rise.

Let us consider the billions of dollars that go out through the Economic Development Corporation to support trade and employment in this country. Are these really the most valuable ways in which to use those dollars? We have seen in recent months serious reasons to question the way in which the Federal Business Development Bank theoretically helps with business development and job creation. It seems to have forgotten that its role is business development, not building development. These are examples of wrong policy directions.

On the other hand, we can look at other more positive directions, other things that are perhaps more worthwhile initiatives for us to invest in. We know that housing and housing renovation has a nine-to-one spinoff in terms of job creation for every dollar invested in it. We know that municipal infrastructure, roads, sewers and water, not only serve the health and safety of Canadians and reduces environmental damage through transportation, but also have a very healthy spinoff rate in terms of jobs per dollar invested.

We know that arts and culture, dollar for dollar, is the most labour intensive employment in the country. That is obviously a good way to invest our money if all we are interested in is in job creation, and yet we have the additional benefits of an enrichment of our social and cultural life. Again, instead of support of those industries which naturally produce jobs without any artificial infusion, we see the reduction of funds.

I want to reiterate that the official opposition has a very strong belief in the role of the individual in society and the importance of government supporting and creating an environment where each individual can develop his or her own talents, contribute to society and benefit from that contribution. We simply believe that there must be a comprehensive review of the whole scope of job creation, investment in employment, investment in corporations, and investment in education.

While the motion is a worth-while one, it is only one part of what we need to be looking at as a society. What is good for us as a society is also what is good for job creation and for our economy.

• (1515)

Mr. Bill Kempling (Burlington): Mr. Speaker, I understand and respect the hon. member's interest in the Canadian job creation strategies and training opportunities. I appreciate the member's concern about finding ways to increase participation in our economy, especially by those Canadians who live in small communities and who work in our arts and culture sectors or social and voluntary services. My hon. colleagues will address these particular issues.

I share the hon. member's desire to build a strong and competitive Canada, through the creation of jobs. I would like to remind him that this government is not a stand pat government. We have always recognized the folly of complacency. We have repeatedly pointed out that if Canada ever adopted a passive approach to job training in this highly competitive world, that strategy would serve as an invitation for disaster.

We have repeatedly warned that the demands of a constantly changing and interdependent global economy must never be underestimated. We have always maintained that the failure to preserve a competitive workforce would have dire consequences for Canada's economic prospects. That is why we have dedicated more dollars to job training and skill enhancement than any government in the history of Canada. That is why we have replaced the hodgepodge of job-creation schemes with a comprehensive plan designed to prepare the Canadian workforce for the challenges of the 21st century.

This government is not in the business of cobbling together short-term make-work projects. That was the traditional approach to job creation.

While the quick-fix has at times provided monetary comfort, the relief experienced has too often proven ephemeral and fleeting. Instead, we have adopted a different long-term strategy, a strategy that addresses unemployment and labour market dislocations with an eye to establishing prolonged stability.

I would like to point out to the hon. member that if he carefully examines our programs and policies, he will quickly see that the training we provide is relevant to local conditions and he will find that our training efforts are designed to produce permanent jobs that are in demand now and will be in the future.

I am proud to state unequivocally that the federal government has provided consistent leadership in helping Canadians prepare for the labour market of the 1990s. In September 1985 we launched the Canadian Jobs Strategy after intensive consultation with the provinces, business and labour. Since then this strategy has helped more than 400,000 people each year receive the training they need for tomorrow's jobs.

Unlike previous programs, the Canadian Jobs Strategy is decentralized, relying on people who understand local conditions to come up with solutions that best suit their needs. It places an emphasis on co-operation with the private sector at the local level and offers a mix of tools and programs that has provided a unique and integrated approach to the labour market.

Within the Canadian Jobs Strategy, there is the necessary flexibility and range of activities to allow the government to address the specific needs of the sector identified in this motion: community based enterprises, the arts and culture sector, social and voluntary services.

To point to the arts sector by way of example, there is room within the CJS to support the Dance Transition Centre and a musical performance program. Best of all, CJS has an excellent record in helping those who are on the margins of the labour force and who are most in need. Because of this, I can assure my colleague that our work through the Canadian Jobs Strategy will continue.

Although we recognize the importance of maintaining the income support benefits of the unemployment insurance program, we are still moving toward more active programs of skill development and relevant career training. For example, with Bill C-21 we propose to make the unemployment insurance system more flexible and to use UI moneys to help claimants get back to work faster. That is what Canadians want most.

• (1520)

Last spring we announced a Labour Force Development Strategy that builds on CJS and places a major emphasis on skill development and employment training. The Labour Force Development Strategy is a comprehensive, wide-ranging formula for improving the function of Canada's labour force, and it contains measures geared specifically to help communities found in areas such as the one the hon. member represents.

These measures include strengthening the Community Futures Program and the Industrial Adjustment Service, or IAS. Both programs will receive additional financing under the Labour Force Development Strategy. Community Futures, for example, will see its 1990-1991 budget increase by $50 million to $198 million, while the Industrial Adjustment Service allocation is being doubled from $15 million to $30 million.

I would like to point out that IAS, the Industrial Adjustment Service, has inspired countries from all over the globe. Recently a delegation from Hungary visited Employment and Immigration Canada's headquarters to learn more directly how IAS operates. The Americans have also turned to us for guidance. They searched the world for an effective, industrial adjustment program, and the one they finally settled on was ours.

Once again, in human resource development, we are leading the way, but the task of building a labour force of tomorrow is not ours alone. It also involves the efforts and the co-operation of business, industry and labour. All these major sectors must be willing to make a major investment in Canadian workers if we are to remain relevant in the international economic arena.

Canadian workers are well aware of the importance of training in today's economy. In 1988, Decima did a survey and found that half the respondents said that they would reduce their wage demands in return for additional training.

In conclusion, our challenge is to address this desire to learn and upgrade skills. I believe that the Labour Force Development Strategy will meet this challenge. It is instituting an unprecedented level of co-operation among business, labour and the government in the interests of building a competitive and relevant labour force. We want everyone to take advantage of the many new opportunities that the Labour Force Development Strategy offers. I am confident Canada will grow and prosper in the next century because of the commitment that we and our partners are ready to make today.

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, I am glad to talk on this topic today.

I was interested in the motion that the hon. member from Prince Albert—Churchill River proposed. I have to say that I was disappointed that he did not spend as much time talking about culture and the arts as I expected. He diverted quite a bit into the whole political spectrum of megaprojects and other forms of economic assistance to the various communities and regions of our country.

I can divert, for a couple of seconds, by indicating that it is not a matter of making choices between megaprojects for Newfoundland or any other region, but in place of municipal programs it is a matter of a wise and judicious balance between the two. The regions of Canada have legitimate aspirations whether it is us in British Columbia, the people from the good province of Saskatchewan with their aspirations, or the people from the maritimes with their real needs now and their aspirations.

What the member was alluding to was the current bill and the plans the government has to try to provide assistance to that region's aspirations, and I think quite legitimately. Any government that does not consider the needs and the wants of the regions of Canada is one that is going to be in trouble. Equally, of course, the aspirations of the communities of this country must be considered. The area I represent, Cariboo—Chilcotin, is comprised of many of these small communities. It is essential that we as a government and as members of parliament keep in mind what those aspirations are and make sure that we balance the dollars, our time and our attention with those needs.

• (1525)

Obviously government cannot provide everything for everybody. Somebody in my riding said the other day that it is only children and socialists who feel that we can have all of the goodies and not pay the price. Obviously, if we want the goodies we have to pay the price. Government, especially government in these times, is a body that has to make very difficult choices. All we can do is hope we are making wise choices and decisions, all of which must be fiscally responsible.

But heaven protect any government or any member of parliament who, in his eagerness to establish the economic base that is necessary, forgets that we have to be fed and clothed before we can really enjoy an art show, watch a presentation in a theatre or enjoy a hockey game. The government must spend the predominance of its time ensuring that the basic economic strength of our communities and our regions is solid and strong, that the people are working and that their basic needs are met.

Once they are met and we ignore for any length of time whatsoever the needs of the cultural and artistic communities or the interest in their communities, we do so at our peril. I made a mistake in one meeting with a constituent who I hope will become a very good friend. She felt that I was not paying due attention to her interest area which was the arts. She is a very artistic lady and spends untold hours daily and weekly in supporting the artistic endeavours of her community.

She took me on and did so quite properly, to make sure I understood that the needs of that community were real and, more important, that job opportunities, vacancies and potential in those areas were real. I have to admit that I had not given attention to it prior to that meeting. Since then I have been astounded by the many opportunities that exist, the economic incentives and push that the arts and culture communities perform in the Canadian economy. Listening to the debate today I have gained a perspective of several other members in this area.

What we are talking about in the arts and culture community are more than 185,000 people currently working there. They make their living in the performing arts, theatre, music, opera, dance and the visual arts. One that is very important to my area of the country is the heritage sector. Quite often we do not think of this as being one of the cultural artistic areas but it is. It is

composed of our museums, galleries, archives and libraries.

Then there is the high-tech sector. Of course high tech is very in at the present time and, despite the added emphasis now on television, we cannot forget the radio to which a person my age has spent so many hours listening. It is still an effective medium, not only for broadcasters but in particular for the performances of music and artistic expression.

• (1530)

There are many people in my Chilcotin wilderness who use their battery radios to tune in to the only station where they can get their dose of arts and culture, or after their basic needs have been satisfied through the CBC air waves and the many fine programs that are put on over the radio and on television.

Another area that is fairly important to the Cariboo—Chilcotin is that of crafts. It is one that I have not heard mentioned here today, but to our aboriginal peoples it is one that is going to become more and more important. It will be important for the government to make sure that we give full consideration to and understand the potential of this area. It is not just in their carving and their art. There is a huge market developing now for the art work.

On a recent trip to Asia, I noticed that business people who have an appreciation for art were commenting on how in at least the larger cities of Asia they were starting to show a greater appreciation for the aboriginal art from Canada, as well as from the United States. They now have carvings and jewellery that are not only beautiful but are creating a meaningful livelihood for so many of the artists who can communicate through that medium. We are seeing more and more of their native dancing and their native theatres. I am sure that form of participation and development in our native aboriginal communities will continue to be a major factor in the arts and culture of Canada.

Arts and culture are not just in the big cities, even though we tend to think of seeing ballet in the major cities and symphony orchestras perform principally in the major cities. The small communities of Canada are also recipients of the efforts of the people who work in arts and culture.

On one of my recent trips home—actually it was in Quesnel—there was a visiting group from Montreal, a fine francophone group of musicians, world-renowned percussionists who were performing for the people of the Quesnel area. This was in the Cariboo, the hinterland of Canada. One of the artists was commenting on it. He said: "All of the world-renowned artists play in Paris, in New York, in Montreal, in Hong Kong, all of the major centres". He singled us out in Quesnel and said: "We feel unique because very few of those world-renowned artists have played in Quesnel." We did appreciate it in Quesnel, and one of the benefits that the Government of Canada is able to provide to the small communities is to assist in such endeavours.

On a closing note, I will add that in small towns and big towns in Canada 13.5 million people have been participating in the arts and cultural community. There are more funds brought in from people watching the arts than the total for professional hockey, professional football, as well as baseball.

[*Translation*]

Mr. Deputy Speaker: I am sorry, but we will not be able to hear what the hon. member for Témiscamingue (Mr. Desjardins) has to say on this topic.

The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 3.35 p.m., this House stands adjourned until 1 p.m. on Monday, pursuant to Standing Order 24(1).

The House adjourned at 3.35 p.m.

HOUSE OF COMMONS

Monday, February 12, 1990

The House met at 1 p.m.

Prayers

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT

The House resumed from Monday, December 11, 1989, consideration of the motion of Mr. Althouse:

That, in the opinion of this House, the government should consider the advisability of introducing measures to amend the Western Grain Stabilization Act to include coverage for producers who feed their own grain to their livestock; and the amendment of Mr. Funk:

That the motion be amended by adding immediately after the words "Western Grain Stabilization Act" the following:

"and Agricultural Stabilization Act'.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am pleased to speak in support of the motion of my colleague, the hon. member for Mackenzie and the amendment of my colleague, the hon. member for Prince Albert—Churchill River on the matter of making it possible for farmers to be covered under the Western Grain Stabilization Act or the Agricultural Stabilization Act for grain that they grew and fed to their own livestock, particularly cattle and hogs.

I have read in *Hansard* what members from all parties had to say during the debate. I must say that I found those who spoke, in the main from the government side, did all kinds of talking around the subject matter, but did not examine what it is that the agricultural industry wants and for what has been asking for a long time.

• (1310)

One must remind the House that the following support this kind of move: the Canadian Pork Council, the Ontario Federation of Agriculture, the Ontario Cattlemen's Association, the chicken producers, the egg producers marketing board, milk marketing board, pork producers marketing board, sheep marketing agency, turkey producers, the three prairie wheat pools, and the UPA of the province of Quebec which is probably the largest farm organization in all of Canada, as well as many groups and individuals.

In March 1988, Mr. Kraft, a University of Manitoba economist, in his study on income stabilization and eligibility of farm-fed grain recommended that either the WGS or the red meat stabilization formula could accommodate farm-fed grain. The policy choices would be to change the grains programs to a production based qualification from the current marketing qualifications, or to modify the red meat stabilization formula to account for the costs of producing grain rather than just buying grain.

It makes no sense to allow the farmer full credit for the cost of the grain he purchased from a neighbour, feed grain dealer, or the Canadian Wheat Board. He is covered for the full cost of that, but he is not covered for the cost of grain he raises on his own farm and feeds to his hogs or cattle. That is something worse even than an anomaly. It would seem to me that that is totally unfair.

Let me quote from a letter from the Canadian Pork Council dated September 22, 1988, which states:

It is our view that grain should be treated no differently if it happens to be marketed through a livestock operation on the same farm rather than sold through commercial channels, which can include sales to other domestic livestock operations. All grain, whether immediately sold or fed to livestock, incurs the same basic costs. Growing grain and feeding hogs, for example, should be regarded as distinctly separate activities just as feeding hogs and feeding cattle within the same enterprise structure are treated as being unconnected for purposes of stabilization coverage for either of these two commodities.

The letter further states:

The Canadian Pork Council is advocating that immediate steps be taken to correct this inequity, and to include farm-fed grain in all current (which includes programs for the 1986-87 and the 1987-88 crops) and future grain stabilization programs.

In eastern Canada, grain produced and consumed on farms equals total sales off the farm and in western Canada it represents 20 per cent of all production. That is a lot of grain.

Excluding the farm-fed grain from qualifying under the Agricultural Stabilization Act or the Western Grain Stabilization Act, and not accounting for grain production costs in the red meat stabilization programs, has removed a portion of farm income derived from farm-fed grain from the farm income stabilization programs.

The policy choices to include the farm-fed component in stabilization are either to change the grain programs to a production based qualification from the marketing qualifications, or modify the red meat stabilization formula to account for the costs of producing grain rather than just buying feed grain. The policy change requires either the grains or the red meat stabilization programs be modified, but not both.

I know it was alleged that some cattle or hog producers would be collecting twice. We submit that it is done under one program or the other, but not both.

A production based grain stabilization program would require farmers to register the land producing each crop. The land must be assigned at productivity rating and stabilization payments would be triggered whenever the moving average support level of income was not attained.

Stabilization income levels would change from year to year because of crop prices and operation costs, but they would not be related to current crop yields or sales. Participants in a crop production based stabilization program would pay a premium when it was due. They would pay the premium when they were registering their land and their crop base.

Pay-out support levels would be dependent upon the premiums and contributions from government. All grain and oilseeds for which sufficient information on yields, prices and costs exist, should qualify for the production based programs.

Much of the information required for a crop production based stabilization program is currently used and processed by the provincial crop insurance corporations. Administration of crop production based stabilization programs would merely extend the responsibilities of the crop insurance administration rather than change the nature of their work.

In fact, I have long felt that the provincial crop insurance programs, and there are a few federal programs, should be integrated so that there would only be one administration cost. It would probably be a quicker and more efficient treatment of the producers who are supposed to benefit.

Incorporating grain production costs into the red meat stabilization formula could be accomplished by either having two formulae or one with a weighted average which recognizes the share of grain produced and fed on farms. The two-formula approach recognizes that some livestock operations purchase most of their feed requirements while others produce their own feed. The two-formula approach allows the participants to elect which procedure best represents their cost structure.

• (1320)

The motion of my hon. friend for Mackenzie corrects what I consider to be more than an anomaly. It is unfair. I would hope that all members, in the desire that we all have to do more about stabilizing and enlarging the income of our agricultural producers, would be anxious to pass this motion which only asks the government to "consider", and does not require the government to do anything. It gives them a sense of what the House of Commons feels, that they should consider what the motion of my hon. friend says, then the government could reply and report back to the House of Commons.

I hope that all members will support both the amendment and the motion submitted by the hon. member for Mackenzie.

Mr. David Bjornson (Selkirk): Mr. Speaker, I am pleased to have the opportunity to enter this debate. The issue which we are discussing is certainly an important one. Farm-fed grain plays a significant role in our agriculture economy. About half of Canada's cereal crops, with the exception of wheat, are fed to livestock. The promotion of farm-fed grains is even higher in the

maritimes. There, even when wheat is included, about 30 per cent of the crops are fed on farms.

Farmers across the country are concerned because the role which farm-fed grain plays in the agricultural economy is not acknowledged in stabilization programs. In some livestock support programs, the price of grain is included in the formula for triggering payments. Therefore, when grain prices go up, support prices for livestock go up.

Livestock support programs do not take the cost of producing farm-fed grain into account. If the price of grain stays the same but grain production costs increase, the high cost of growing grain is not reflected in payments through livestock support programs.

This is an important issue, but it cannot be considered in isolation. Right now, the federal government is undertaking an extensive review of all agricultural policies and programs in consultation with farm organizations and the provinces. The way that farm-fed grain is included in the farm safety net must be discussed in the broad context of that policy review.

At first glance, including farm-fed grain in the Western Grain Stabilization Act and the Agricultural Stabilization Act seems like a simple way to provide income protection for farmers who feed grain to their livestock. Let us take a closer look at the issue. Changing the Western Grain Stabilization Act and the Agricultural Stabilization Act to include farm-fed grain has a number of implications for both grain and livestock farmers.

First of all, some programs already include part of the costs of producing farm-fed grain. The dairy program is one example. If farm-fed grain were included in the Western Grain Stabilization Act and the Agricultural Stabilization Act, some farmers would be compensated twice for the same grain.

This was a point which the Standing Committee on Agriculture emphasized in its January, 1986 report on the Western Grain Stabilization Act. The committee concluded:

> It should be only for the final products marketed that the producer receives market protection under the Western Grain Stabilization Act or the Agricultural Stabilization Act. In the case of livestock producers, they face the livestock market but not the grain market risk. Treating livestock producers as grain producers means the grain may be covered in the raw form and again as it goes into the final product.

That is what the committee stated. Beyond that, including farm-fed grain in the Western Grain Stabilization Act and the Agricultural Stabilization Act would mean changing the fundamental structure of these programs. Rather than being based on commercial sales, the Western Grain Stabilization Act and the Agricultural Stabilization Act would be based on production. If that were the case, the administration would have to collect yield data on every single farmer enrolled in the program. That would be a costly and impractical exercise.

In many cases, the information simply does not exist, so payments would have to be based on a regional yield average. Most farmers find this unacceptable. Farmers with yields below the regional average would be overpaid and those with higher yields would be underpaid.

Changing the basis on which payments are made could result in trading off the interests of one commodity group against the other.

Although including farm-fed grain in the Western Grain Stabilization Act and the Agricultural Stabilization Act would mean more protection for livestock farmers, it would remove the protection for grain farmers which these programs were designed to provide. Both the Western Grain Stabilization Act and the Agricultural Stabilization Act are designed to protect producers from a dramatic loss of income when they are unable to make sales.

For example, right now the Western Grain Stabilization Act is based on sales. If producers cannot make delivery, that is reflected in reduced sales and a Western Grain Stabilization Act payment can be triggered. If the Western Grain Stabilization Act and the Agricultural Stabilization Act were based on production, payments under both programs might not be triggered because of a drop in deliveries.

As a last point, including farm-fed grain in the Western Grain Stabilization Act and the Agricultural Stabilization Act would make both programs more expensive and farmers would end up footing the bill along with the federal government.

The way in which farm-fed grain is included in stabilization programs must be addressed through a comprehensive safety net program. At the national agri-food conference in December, the Minister of Agriculture announced that the National Grains Bureau

would lead the consultations with industry and the provinces on developing a grain safety net program.

The committee on grain safety nets had its first meeting in January and is expected to present a proposal for consideration by agricultural ministers in the spring. Legislation should be in place by the end of the year.

We need to develop a stabilization program which will do three things: first, it must respond to the needs of the producers; second, it must have a sound financial base; and finally, it must be based on a fair cost-sharing arrangement among farmers and provincial and federal governments.

Responding to the needs of farmers means putting a program in place in which farmers make long-term plans for their operations. In recent years, the federal government has responded to declines in farm income and production with *ad hoc* assistance. Farmers needed that assistance. However, relying on *ad hoc* programs makes it difficult for farmers to manage their operations effectively.

During the national agri-food policy conference, the Minister of Agriculture announced that a government-industry task force would be set up to look at several aspects of farm management. These include the special needs of beginning farmers, the management tools farmers need, the role of lending institutions, and the effectiveness of subsidized interest rates.

Over the next six months, options will be developed in consultation with industry. Federal and provincial ministers of agriculture will look at these options at their final meeting in August, 1990. Public consultations will start in the fall.

The issue of how farm-fed grain should be included in agricultural stabilization programs is an important one. It is an issue which must be considered in the context of over-all policy review. As part of the policy review, both levels of government and the industry are now in the process of developing options for grain safety net programs. The committee on grain safety nets held its first meeting in January and will be discussing several options with the industry over the winter. By late spring the committee is expected to have recommendations to be considered by ministers and legislation will be in place by the fall.

The way in which farm-fed grain is included in grain safety nets will be discussed in the context of the over-all safety net review. I have spoken briefly about the implications of adding farm-fed grain to existing grain stabilization programs. Simply adding farm-fed grain to the Western Grain Stabilization Act or the Agricultural Stabilization Act would likely create more inequities than it would solve. That is why the issue must be discussed in the context of the overall grain safety net review. I am confident that working with farmers and with the province we can arrive at a safety net program which will satisfy the needs of farmers and their livestock industry.

• (1330)

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, I am delighted to participate in this debate.

I listened with interest to the remarks of my colleague from across the way. He enumerated several problems that will occur the motion if the motion is adopted. Let me repeat that the motion asks the government to consider the advisability of introducing measures to amend the Western Grain Stabilization Act to include coverage for producers who feed their grain to their livestock. The key word here is that the government should consider the advisability.

We are asking the government to study and recognize that a problem exists now. Producers of red meat products who grow their own feed and grain are in a disadvantaged position compared to those producers who purchase their feed. The system discriminates, perhaps unconsciously, against one type of producer compared to his neighbour.

Theoretically, there are ways around this. Neighbours could start selling the grains they grow to each other but I do not think we want to encourage any more games to be played. Often when I go into the rural area of my constituency farmers tell me that it is not enough to know the ins and outs of growing a crop. Now they have to become experts at the various government programs. These anomalies in the existing program and legislation are forcing farmers to become like high-priced tax accountants in order to learn how to play the system.

Our motion asks the government to first recognize the problem and then give some commitments to working with members of the House and members of the agricultural community to find ways and means by which we can

solve the problems that we are facing. In a nutshell, that is the purpose of the motion.

I appeal to members of the government to support our motion. It is not a motion that condemns the government in any way. I believe it is a motion that government members should have no difficulty supporting because it is presented in the spirit of trying to improve agriculture in this country and help our farmers. I hope that government members will see it as such and will support the motion.

Let me also say just a few words about the state of agriculture back home. During the Christmas break I visited many of the rural communities in my riding of Regina—Qu'Appelle.

I had the time to go into the local cafes, to sit in the booths, to drink gallons of coffee, and to talk with members of the farming community, people from the small towns I was visiting. I must say that I have never experienced such a psychological depression as what exists in rural Saskatchewan today. There is a sense of hopelessness, a sense of helplessness, a sense that nobody out there is listening to their concerns, let alone being able to do anything about it.

I find the type of fatalism that exists out there today extremely saddening. I talked with young farmers who were working land that had belonged to their family for generations. They have a sense of hopelessness and just shrugged their shoulders and said: "Well, Mr. de Jong, what can I do any more? We are totally in debt. We are totally uncertain as to what types of government programs and types of assistance there will be to keep us on the land".

I was shown old newspaper articles with the cost of wheat 10 or 20 years ago. In fact it is not much higher today and in many cases even lower. The cost of production in the last decade or two has soared. There is a sense that it is just not going to work any more. They wonder why they are out there struggling, trying to make ends meet, when they see no light at the end of the tunnel. This Parliament has must address those problems.

In conclusion, the farming community needs some help. It needs help from this Parliament. It needs some understanding and co-operation in developing policies of mutual interest so that the farming community in this country will not go down the drain.

Accepting this resolution is a small but significant indication to our farmers that this Parliament is interested in their concerns and will rise above our partisan interests. The effort by my colleagues who have moved this motion is an effort of co-operation with the government to find a solution to this problem. I hope the government will accept it and, in doing so, will send out a signal to the farmers that this Parliament is willing to work together to find solutions to their problems.

Mr. Ken Monteith (Elgin): Mr. Speaker, I pleased to speak to the motion this afternoon. We are all aware of the problems Canadian grain farmers face. The financial squeeze which began gripping farmers in the middle of the decade has not yet loosened. Export subsidy battles fought by others on the world grain markets have depressed the prices Canadian farmers get for their grain. Until there is some further progress made in the trade talks through the GATT, or unless there are production problems in major grain growing regions, the situation will remain uncertain.

In recent years dealing with problems brought on by low commodity prices has meant relying to a large extent on *ad hoc* government programs for support. In 1986 and 1987 the federal government provided farmers with a total of $2.1 billion through the Special Canadian Grains Program. In 1988 the Canadian Crop Drought Assistance Program paid out $850 million to farmers who suffered crop losses because of the severe drought.

We cannot continue to rely on *ad hoc* government assistance. There must be a better way in place to provide protection to grain and oilseed producers. This government has set out to find that better way. It began last year with changes to crop insurance plans. Coverage was increased in 1989. As a result of that increased coverage the revamped crop insurance programs in 1989 provided farmers with more coverage than in the previous year.

• (1340)

For example, the 1988 crop insurance payments for wheat on stubble in Saskatchewan ranged from about $32 to $53 an acre, depending on the risk area. In 1989, coverage for the same risk areas ranged from about $50 to $85 per acre.

In 1988, a southeastern Saskatchewan farmer, who grew a crop of wheat on summer fallow would have been eligible for about $60 an acre in crop insurance. On top of this, the same farmer would also have received about $14 an acre from the Canadian Crop Drought Assistance Program. The maximum coverage for that farmer would have been approximately $75 an acre.

After changes to crop insurance in 1989, that same farmer would have been eligible for about $94 an acre from crop insurance alone. Producers in Alberta and Manitoba were also eligible for more coverage through crop insurance alone in 1989 than they were able to collect from drought assistance and crop insurance in 1988.

The changes to crop insurance protection was a first step. Now this government is moving on the development of a national safety net program for all grain and oilseed producers. It seems inappropriate at this time to be tinkering with individual programs like the WGSA and the ASA. We have to look at this issue in a broader context.

At the National Agri-Food Policy Conference in Ottawa in December, it was agreed there is an urgent need to help develop a national safety net program that is fair to all grain and oilseed producers. Work on this issue is being undertaken as part of the federal government's national agricultural policy review. It was announced at the conference that the national grains bureau in Winnipeg would take the lead in working to develop a national grain safety net program.

This task will include the involvement of provincial governments and those industry representatives in developing a proposal. Meetings are under way this month. It is expected that a proposal should be ready by late spring with enabling legislation developed by December 1990.

The federal government is moving quickly on this issue. The farm income problems projected for the next year must be taken into account. There is also a need to ensure that action taken now is in line with the longer term goals as safety nets are developed for all farmers.

Part of the review, of course, is the examination of existing safety net programs. The advisory committee of the western grain stabilization program has been asked to examine issues surrounding the potential transition of the WGSA to a more comprehensive safety net program.

This government is moving on the issue. In fact, progress has been made. The existing federal-provincial working group on safety nets is continuing the work it began in 1988. Its key objective is to develop a long term comprehensive safety net policy for all commodities and all farmers.

A series of regional meetings were held during 1988 among all farm leaders across Canada and government to help identify the problems which exist with existing safety net programs and determine the direction that would be taken for agriculture in the future.

Subsequently, the National Grains Bureau in Winnipeg developed a number of grain safety options which were presented to farm leaders. The work of the National Grains Bureau on safety nets is continuing. Continued discussion with farm leaders across Canada with other government members is continuing to work out a program for agriculture. As a government we are working out a comprehensive program which is fair to all producers across Canada. It will have a sound financial base for Canadian farmers which they require at this time.

This government has taken action and will continue to take action to ensure that agriculture is protected across this great land. We feel that it is appropriate for this government to continue to discuss with the farm leaders the future of agriculture, combining crop insurance and some safety net programs. We are continuing working with that to develop protection for producers.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I rise today to speak briefly on the motion that is before us from the NDP. I would just like to make a few comments and explain to the House an experience that I had last Friday which I think is indicative of the situation that we have in the agriculture community at the present time.

Last Friday I took the opportunity to attend one of the largest, if not the largest, farm machinery equipment shows in Canada that takes place each year in February in Toronto. From my previous experience as an active farmer-producer I met many acquaintances there who were manning the booths for the dealerships that were there. They said that the attendance at the show was excellent. That was quite evident on Friday when I was there. However, they said that they found this year probably without question the worst year as far as

interest from producers is concerned. They were there to look.

On the lighter side, I can never forget my father saying that that was an excellent place to go once a year because you could see a lot of things that you could get along without. It is like going to a sportsman's show or whatever, and you could go home and appreciate what you did have at home.

They said it was very depressing that those farmer producers were simply not interested. They simply do not feel confident with the industry that they are involved in. They have seen many things happening. The interest free provision of the advance payment for crops removed. It was a management tool that they have used.

The basic improvements to the crop insurance bill are all well and good, but they are saying that because there has not been a tripartite type of program put in place with a three-way split on the premiums that the risks are going up and the premiums are going to be so high for that extra extent on the risk that they are probably not going to be able to afford it. They will be no better off than they were in the past.

There is a problem out there and I feel that this motion is a good one. It is simply asking the government to consider those improvements. I ask the members opposite to vote in the true spirit of this motion and not oppose it just because it came from a party on this side of the House. The motion seeks nothing specific. I can tell you from past experience that the way the stabilization act works now is not fair.

• (1350)

A farmer who produces his own grain for consumption by his own herd of cattle or hogs is not able to take part in the stabilization program because he has to subtract what he purchased from what he sold. There is no net benefit.

However, if a farmer is the sole producer of grain, he can take part in the stabilization program. If he is a purchaser of feeds, he cannot benefit from that. What I am saying is that whether I sell as a primary producer, whether I sell to the local grain elevator, my own grain enterprise in my farming operation, my hog enterprise or my beef producing enterprise, a sale should be a sale no matter which way it goes.

At the present time the program is not fair. This motion requests that the government consider this and rather than take something away from producers, make an improvement to it. The producers are eager and willing to sit down with the government and make those suggestions.

The tripartite program is the type of program that can be protected and explained in other countries so that it is not challenged under the free trade agreement, as it has been, and we are going to have to work hard in order to do that.

In summary, I am requesting the government to vote in the spirit of this House and support this bill. The motion is asking the government to sit down and discuss this situation for the betterment of the industry which so many Canadians are involved in.

Mr. Ken Hughes (Macleod): Mr. Speaker, I am very pleased to join this debate today on this important agricultural topic.

The issue of including farm-fed grain in stabilization programs is a very important one. It is an issue that cannot be considered in isolation. Including farm-fed grain in stabilization programs must be looked at in the broad context of all agricultural stabilization programs.

As you know, the federal government is undertaking a major review of all agricultural policies and programs. Any changes to the Western Grain Stabilization Program and the Agricultural Stabilization Program will be considered in the context of that review.

No farmer would want to make a decision about what he or she was going to plant on a quarter section without an understanding of the broader context of the future of that farm. I suggest that members of the House should keep that in mind. This government is looking at the over-all strategy and the whole Canadian farm sector before making a specific decision about one aspect of it.

The first step in the review process was the release of the discussion paper "Growing Together" last November 7. In that paper the federal government identified four pillars on which our vision for agriculture rests. They are market responsiveness, greater self-reliance in the agri-

food sector, a national policy which recognizes regional diversity and increased environmental sustainability.

The next step was the national agri-food policy conference in Ottawa in December. Over 1,800 people representing farmers, processors, consumers and other groups with a stake in the agricultural industry attended that conference.

During the policy conference a series of panel discussions on seven key issues were held. Now we are in the process of following up on those discussions. Task forces have been established in a number of areas, including market development and value-added, farm finance and management, safety nets, supply management, transportation, food safety and sustainable agriculture.

This is how farm safety nets fit into that over-all global picture. A federal-provincial working group on farm safety nets was in place before the policy review started last fall. That group will continue its work. Their objective is to develop a long-term comprehensive safety net program for all commodities and for all farmers. The group will prepare an interim report to be given to federal and provincial agricultural ministers at their annual meeting. In the fall of this year the group will consult with farm groups and other interested parties.

In addition to the working group on farm safety nets a special, committee has been established to look specifically at the question of grain safety nets. The committee was established after the policy conference in December. It has been set up because this government recognizes that grain and oilseeds farmers are likely to face some very serious income problems in the coming year.

We need to develop proposals to assist these farmers immediately. These proposals must fit within a national program framework. The Minister of Agriculture has asked the National Grains Bureau to lead the consultation with industry and with the provinces. That process is already under way. The committee had its first meeting in Winnipeg during the second week of January. That committee is expected to present a proposal to ministers for a grain safety net program by late spring. Proposed legislation should be submitted by the end of the year.

This is where the issue we are discussing today fits in. If we are going to make changes in the Western Grain Stabilization Act and the Agriculture Stabilization Act then we must consider these changes in the context of the review of grain safety nets and of all farm safety nets which is taking place now.

Including farm-fed grain and stabilization programs is a longstanding and significant issue for farmers all across the country. The cost of producing grain to feed livestock is not fully taken into account in livestock stabilization programs or in grain income stabilization programs.

The member for Regina—Qu'Appelle asked the government to consider specific changes to the WGSA and the ASA. Looking at the whole picture of agriculture, this government is considering adaptations necessary to face the future in all aspects of agriculture. *Growing Together* is not just a question of making speeches, it is a commitment to agriculture, a commitment to producers and a commitment to people in the agri-food sector to take action over the course of the next year or two.

We invite the opposition to participate in that process in a constructive manner. Simply including farm-fed grain in the WGSA and the ASA may not be the best answer. In fact, taking this step could create a whole new set of inequities and perhaps a return to the business of *ad hoc* government programs. We need to have a sense of the over-all context.

First of all, some stabilization programs such as the dairy program already include the cost of farm-fed grain. If these costs were included in WGSA and ASA some producers would be overcompensated. Second, including farm-fed grain in WGSA and ASA would make a fundamental change in the basis of these programs. Right now both of these programs are based on commercial sales. If farm-fed grain were included in both programs then these programs would have to be based on production rather than on sales. This would add a whole new dimension to the administration of these programs.

Members opposite might want to increase the administrative burden for farmers and the administrative cost to taxpayers. I can assure you that members on this side do not. If both programs were based on production, the administration would have to collect yield data for individual farmers. In many cases this information simply would not be available. Both WGSA and ASA would have to be administered on the basis of regional yields. I

do not have to remind members of the difficulties we ran into when we established the recent drought assistance program on that sort of basis.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(3) the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to S.O. 31.

STATEMENTS PURSUANT TO S. 0. 31

[*English*]

NELSON MANDELA

Mr. Ross Stevenson (Durham): Mr. Speaker, yesterday's release of Nelson Mandela was an occasion for world-wide rejoicing. Having spent 28 years in prison for leading South Africa's black national movement, Mr. Mandela personally became a symbol of the terrible injustices inherent in his country's white supremacy laws.

In South Africa, as in nations of eastern Europe, we have witnessed events in recent weeks that many felt could not occur in our lifetime. Much credit must go to President de Klerk who has demonstrated an enlightened outlook and the courage to accelerate change. Yesterday did not by any means mean the end of apartheid, but it was, we must hope and pray, the beginning toward the end of this abhorrent system.

Today we must encourage South Africa to continue this new and difficult course and do all we can to help that nation achieve a future in which every one of its people can participate.

* * *

THE ENVIRONMENT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased and heartened to inform the House that this morning Parliament lit the way to a cleaner environment with Operation Super Bulb. Some 1,200 energy efficient light bulbs were presented to the Speaker by three Canadian companies: Philips Electronics Ltd., General Electric Canada and Sylvania.

One bulb will be distributed to each member of Parliament and senator for use in his or her office and to 800 House of Commons employees for a home efficiency survey. These bulbs produce the same amount of light as an ordinary bulb but use only 20 per cent of the energy.

Reducing energy demand means less burning of fossil fuels and lower emissions of carbon dioxide, the main contributor to greenhouse gases and global warning. Each of these bulbs, so members will understand when they get one, over its lifetime can reduce carbon dioxide emissions by up to one tonne.

I hope this will be only a first step to Parliament and all government operations becoming leading lights in the preservation of the world's environment.

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THE BUDGET

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, the recent advisory council report to the Minister of the Environment says that the country is out of balance. The regions of Canada are being devastated by a wide range of government policies and programs, including cuts to regional development programs, cuts to provinces for health care, social welfare and education, cuts to the unemployment insurance program, cuts to VIA Rail, and the postponement of the *Polar 8* contract.

Provinces like British Columbia get shortchanged on virtually every federal program that exists and it is quickly becoming a forgotten part of Canada. As a result of being abused and ignored by the government, a petition campaign is beginning to circulate in British Columbia to find out whether British Columbians wish to separate from the rest of Canada. The organizers say the high taxes of this government, coupled with its recent initiative on the 7 per cent goods and services tax, was the final straw.

Where is the federal government's leadership for nation building? When will the west and British Columbia in particular get their fair share? When will their views and concerns be recognized by this federal government? The government's cavalier attitude toward raising

taxes and cutting services to the regions only exacerbates the growing tensions and frustrations.

The budget provides an opportunity for this government to demonstrate compassion and understanding for all of Canada, for if next week's budget reflects past attitudes and behaviours, including ignoring British Columbia, I am afraid that the embers of western alienation and separation could be fanned into ignition.

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MUSEUMS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the proposed fossil museum in Parrsboro, Nova Scotia will provide a showcase for displaying some of the world's oldest and most unique fossils found nearby on the shores of Parrsboro and Joggins.

Recent palaeontology finds have been described by the National Geographic Society as the biggest fossil find in North America and include over 100,000 pieces of bones of sharks, dinosaurs, lizards, crocodiles and insects, including one of the oldest fossilized insects ever found in the world. They are so plentiful that even I can find them.

Many of these rare fossils are now being trucked to the United States for examination, but when completed the museum will allow the research to be done on site in Nova Scotia. Not only will this museum serve the scientific community. It will be the foundation of a tourist industry in an area of high unemployment and few options.

The project requires participation from the municipality, the province, the private sector and the federal government. All are now firmly committed except for the federal government.

Although the Minister of Communications has given his complete support and assurance that funding will be made available, he will need the support of other ministers. I urge again that they all support this very genuine and much needed project.

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POST-SECONDARY EDUCATION

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, student aid in this country is in one terrible mess and the problem is that the government has not been updating the criteria which determine the amount of living allowance students can claim and the amount that parents are expected to contribute.

Until 1984 the criteria were updated annually but have been frozen since then. As a result students are expected to live on the same amount in 1990 as they were in 1984–85. Parents are expected to make contributions based on today's income, but allowances and exemptions for income have not changed for six years.

This means that parents are expected to make substantially higher contributions to their children's education than they would if the policy prior to 1984–85 were still being followed. If the freeze continues this is going to get worse.

I am concerned that the time is fast coming when we will back to the old business of having to have a rich parent in order to get a university education, and we cannot allow that to happen.

* * *

FUR INDUSTRY

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, the fur industry plays a significant part in our Canadian economy. It is about a $1 billion industry that supports well over 100,000 Canadians, the majority of whom are in northern communities.

It was good to see this past weekend in nine cities across Canada hundreds of people, including over 300 in the city of Toronto, marching in support of this important industry. These Canadians were marching for the rights of trappers, ranchers, retailers and the public to enjoy our quality fur products and the economic activities generated from them.

I must agree with Mr. Del Haylock of the Fur Council of Canada when he stated that the industry had been a victim of misinformation by a small group of radicals. Judging by the numbers who made Canada Fur Appreciation Day a success, there are many Canadians who are fed up with the half-truths of the anti-fur campaign.

We can be proud of the Canadian fur industry and its humane trapping and ranching methods, methods that are the best in the world. Our Canadian fur product is indeed something to be boasted about.

NELSON MANDELA

Mr. Stan Keyes (Hamilton West): He is free, Mr. Speaker. Nelson Mandela has walked out of a South African prison but remains a captive of a wicked regime. A gracious man to his jailers, Mandela called President de Klerk a man of courage, but was quick to add that "negotiations cannot take place above the heads or behind the backs of our people".

Nelson Mandela challenged President de Klerk to prepare the proper climate for negotiations between the white minority and the black majority. He called on de Klerk to lift the state of emergency in South Africa and for the release of all political prisoners.

Nelson Mandela also called on the international community to continue sanctions on South Africa. Nelson Mandela says he is prepared to die for the ideal of a democratic and a free society in which all persons live together in harmony and with equal opportunity.

Apartheid has no future in South Africa. *Amandla awatu*.

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NELSON MANDELA

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, over the weekend my daughter called me from 1,000 miles away, both sobbing and laughing with the soulful joy that Mandela was free.

Yes, the whole world rejoiced, and none more deeply than the black people of South Africa for whom the struggle has been both long and brutal and for whom we must remind ourselves it is far from ended.

But my daughter's deeply emotional response reminds us of the wider meaning of the struggle in South Africa, that it is fundamentally a part of the continuum of the black struggle against the legacies of slavery, colonialism and racism of which all of us of African origin are a part. Nelson Mandela is therefore the bearer of the flame of black aspirations once borne by Martin Luther King that one day the necessity of mutual love and equality for all humankind must order human affairs.

Canada's role in the struggle has been both noble and principled as have been the contributions of many. None, however, have sacrificed more than the South African people.

But let us not forget the critical role of black Americans. They brought focus to the issue of South Africa. It was they who forced sanctions upon an unwilling American administration that ultimately was so critical in bringing about the change that we have seen.

All of this, in turn, was made possible by the black struggle of which Mandela is now the leader.

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• (1410)

[*Translation*]

RAILWAY TRANSPORTATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, following a decision handed down on January 31, 1990, by the Canadian Transport Commission, CN will not be allowed to abandon operations on the Franquet–Chapais line in the Chapais subdivision. On March 12, 1986, at the request of Mr. Denis Lamarche, then president of the Senneterre Chamber of Commerce, we reacted strongly against CN's attitude to the Abitibi–Chapais area.

Special thanks go to Michel Champoux, Jacques Pelletier, Jacques Ruel and Daniel Morin from the Quebec Department of Transport, Florien Grenier of Sullivan, for the video, and all parties who testified at the hearings of the Canadian Transport Commission.

Today, I want to ask the people in Abitibi–Chapais and CN management in Montreal, Quebec City and Senneterre to get ready for the reopening of this section of the railway network.

Mr. Speaker, I dedicate this victory to CN employees in Abitibi–Chapais, to the wives and children of those employees and to one of our friends who died during the dispute with CN, our friend, Bob Langlois.

S. O. 31

[*English*]

UNEMPLOYMENT

Mr. George Proud (Hillsborough): Mr. Speaker, the government has long been citing job creation statistics and boasting of its record. For a while Canadians accepted this rhetoric.

Well, they do not accept this government's rhetoric any more. A press release issued last week by the Ontario government clearly shows the reality of our economy today.

According to the provincial labour ministry, a total of 17,526 people were laid off in 1989. This is the highest number of workers laid off in one year since the recession of 1982.

It is also important to note that this total would be even higher if lay-offs involving fewer than 50 employees were included.

During the recession of 1982 there were partial closings and production slowdowns. In 1989 that was not the case. These jobs are gone and no doubt we will see more of the same in 1990. Canadians across this land can see, hear and feel the results of the government's gross mismanagement of our economy.

* * *

AUTO PACT

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, this year marks the silver anniversary of the auto pact. This agreement between Canada and the United States has become crucial to the livelihood of many Canadians.

It is interesting to note that the auto pact was not immediately seen as a saviour of jobs in Canada. As was the case during the free trade debate, many well intentioned but pessimistic people denounced the auto pact as the beginning of the end of the Canadian automobile industry. Time has since proven, however, that the signing of this agreement was critical to the stability and growth that Ontario's economy has enjoyed over the last 25 years.

There are glaring similarities between the protests of 1965 and those during the election of 1988. Those who are afraid of progress, seemingly intimidated by the United States, claimed the auto pact would mean the end of the industry in Canada. Obviously Ontario's economy has reaped huge benefits from the auto pact and will do likewise under the free trade agreement.

* * *

EL SALVADOR

Mrs. Christine Stewart (Northumberland): Mr. Speaker, it is with deep sadness and horror that I rise today to speak of a bombing raid by the Salvadoran air force on a refugee resettlement area. The bombing in Corral de Piedra resettlement site in the north of El Salvador left at least 20 injured and 6 people dead; 5 of those 6 were children. To add insult to injury, Salvadoran military infantry platoons walked into the village afterward and refused to help the injured.

These refugees lived for years in the Mesa Grande camp in southern Honduras where I assisted them to overcome the horrors of a terrifying flight from El Salvador. They were very recently guaranteed safety in returning to their homeland. Two weeks ago a Canadian fact finding mission went to El Salvador and the delegation was given assurances by the United Nations Human Rights Commission officials and Salvadoran government officials that these refugees would be safe.

The Canadian government must speak out. There is no excuse for the bombing of the civilians in this resettlement project, only callous disregard for the lives and the safety of innocent victims.

I implore this government to use every method, including our OAS and UN Security Council membership to guarantee the safety of refugees and resettlement projects and to bring about an immediate ceasefire and negotiated settlement in El Salvador.

* * *

OPEN SKIES CONFERENCE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, throughout 1989 the world watched as the walls of communism and oppression broke down across eastern Europe. Now, in 1990, the world is watching the East and the West begin building a new foundation of freedom and prosperity.

Today in Ottawa an historic chapter in that process is unfolding. Representatives from 23 NATO and Warsaw Pact nations have gathered in Canada to negotiate a treaty which will permit unarmed surveillance flights over each other's territory. An open skies treaty will help

foster peaceful understanding and co-operation and lead to more stable relations between all nations.

Canadians can be proud of the role that our country is playing in helping to put an end to the cold war once and for all.

* * *

THE BUDGET

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise today to speak on behalf of all Canadians in regions outside of Ottawa who will not be treated equally when it comes to the availability of budget documents on February 20.

The Minister of Finance has indicated that budget documents will be available only in Ottawa on budget day and will be made available the following day across Canada. This is not fair or equitable treatment to all Canadians who require this information. Private individuals and small businesses will not be able to react with the same speed as large corporations that have a presence in Ottawa.

I would like to point out to the Minister of Finance that last year's budget leak did not take place in Vancouver. It did not take place in Winnipeg. It did not take place in Montreal. It did not take place in Halifax. It took place in Ottawa.

Why is the Minister of Finance punishing people in other areas of Canada for his own lapse of security that took place in Ottawa?

ORAL QUESTION PERIOD

[*Translation*]

SOUTH AFRICA

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a few questions for the Acting Prime Minister about certain recent international events. Like all Canadians, the members of our party are delighted with the release of Nelson Mandela and hope that this event marks the beginning of the end of the sad story of apartheid in South Africa. However, we realize that the apartheid laws are still in place, as is the state of emergency, and that these measures continue to oppress

the black majority in South Africa. Nelson Mandela said yesterday, and I quote: "To lift sanctions now would be to run the risk of aborting the process towards the complete eradication of apartheid".

Will the Acting Prime Minister and his government make a commitment today that they will not lift sanctions against South Africa until the apartheid laws have been lifted and the black majority will be able to vote at all levels and take part in the political life of their country?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am very pleased the hon. gentleman asked this question and indicated his interest in this subject matter, because I think it is appropriate to say that the Prime Minister and the Secretary of State for External Affairs have been very much in the forefront on this issue and have given leadership.

Some hon. members: Hear, hear!

Mr. Crosbie: They have been among the leaders in the Commonwealth and elsewhere in the campaign of the last several years to exert pressure on South Africa for internal change and for change in the system of apartheid.

The Secretary of State for External Affairs said on Sunday that before we could start to remove any sanctions we have imposed there are some things that will be clearly necessary, and they would be the removal from the statute books of laws that give effect to the apartheid system.

The Prime Minister stated last night on the CBC program, *The Journal*, that the South Africans would have to lift the state of emergency, to release unconditionally political prisoners, and to put entrain a negotiating process. He said with respect to sanctions that a very important opinion which would have to be ascertained before any such actions could be taken would that of Mr. Mandela.

I think that that sets out the Canadian position to which we will be adhering, and I hope that gets the support of the hon. gentleman.

Mr. Gray (Windsor West): Mr. Speaker, I hope that the move to lift sanctions will not begin until there is in place in South Africa the right to vote and the right to

participate in the political process for the black majority. That was something my hon. friend did not mention.

* * *

OPEN SKIES CONFERENCE

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have another question for the Deputy Prime Minister or his colleague relating to new international developments.

This morning in his address to the Open Skies Conference the Prime Minister became perhaps the second last Canadian to admit, and I quote: "The cold war is over." He also said, and I quote again: "We are no longer hostage to the frozen political meteorology of suspicion and animosity".

Clearly the Prime Minister's own credibility at the Open Skies Conference is impaired while his government clings to a defence White Paper filled with cold war rhetoric.

• (1420)

Will the Prime Minister instruct the last cold warrior, the Minister of National Defence, formally to put aside the 1987 White Paper on defence and produce a new defence policy based on wide public consultation which is relevant to what is really going on in the world?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, not having the warmth of my hon. friend across the way, I guess I could accept that criticism.

As I have said earlier in the House, the White Paper was enunciated during the years 1984 to 1987. What was put into that White Paper at the time was realistic. Unfortunately we did not have the foresight to see the changes that have taken place and which we very much welcome. I cannot say to the hon. member that further changes will not take place in the world, and we hope that changes will be positive.

We are assessing our defence force structure at this time and we will continue to do so. As I said to his colleague the critic for defence and his party, I think prudence and patience at this time, as well as co-operation with our NATO allies through discussions such as Open Skies that are taking place today, will bring forward peace and security to the world.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I think Canadians will be disappointed that the Minister of National Defence is not able to say forthrightly at this time that the outmoded defence White Paper of 1987 has been put aside and the government is preparing one that relates to what is going on today.

Why can the Prime Minister or his Minister of National Defence not give a straightforward answer on this point today? After all, for some time now we have been hearing about the foreign policy review being undertaken at the Department of External Affairs.

Canadians find it ironic that at a time when the countries of eastern Europe are turning to democracy and when there is a reduction of superpower tensions their own government is undertaking a major review of foreign policy behind closed doors. The Prime Minister seems to believe in open skies, but he does not believe in open government.

Will the Prime Minister instruct his Secretary of State for External Affairs to begin a new policy of review of what is going on in the world and Canada's policy in that regard, with wide public participation so that we will have a relevant approach to eastern Europe rather than outmoded rhetoric?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman must be having difficulty in finding something to oppose today, as can be seen from the questions that he is asking.

Just last week the Secretary of State for External Affairs, for whom I am deputizing today, made a major address in Montreal on revised policies he is considering as a result of the changes that have occurred in eastern Europe in the last several months.

Policy is constantly being reviewed, refurbished, renewed and produced in co-operation with other departments of the government and with the public.

I recommend to the hon. gentleman that he obtain and read closely and carefully all future speeches by the Secretary of State for External Affairs.

[*Translation*]

INTEREST RATES

Mr. Douglas Young (Gloucester): Mr. Speaker, there is total confusion among Canadian and foreign investors, following a series of conflicting statements by the Prime Minister, the Minister of Finance and the Governor of the Bank of Canada. Could the Minister of Finance explain to the House today exactly what his government's policy is on interest rates this week and what the government's policy will be next week, after he has brought down his Budget?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the policy of the government will be the same this week as it will be next week.

We have made it very clear that we have some real concerns about the level of inflationary pressures in the economy today. They are still there, and we want to make sure that we get this inflation wrung out of the system before we see any meaningful drop in interest rates. That has been the policy we have been following for some time now.

There have been some signs in recent months of some easing in inflationary pressures. As I have said on many occasions in the past, we are not out of the woods yet. We still have a ways to go to deal with this problem so that we can avoid the mess we got into as a country when the previous government ignored the inflationary pressures in the late 1970s and early 1980s. That is the policy for this government to avoid.

Mr. Douglas Young (Gloucester): Mr. Speaker, the government's lack of a coherent policy is in fact causing a lot of chaos both here in Canada and on foreign market exchanges.

My question is directed to the Deputy Prime Minister, in the absence of the Prime Minister. Does the government support high interest rates? Does the government support a high Canadian dollar? Does the government support the policies of the Minister of Finance and the Governor of the Bank of Canada?

The question has to be: What was the purpose of the Prime Minister's statement last week that blew the Canadian dollar all to pieces on the international markets?

If he agrees with the policy of the government, what was the Prime Minister talking about last Friday?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think there is another indication here of the hon. member going off half cocked. If he had read the full statement of the Prime Minister he would understand that there was a clear misinterpretation by the market of a very limited, edited version of what the Prime Minister said.

The member can check the words, but the policy of the Prime Minister, the policy of the Minister of Finance and the policy of the Governor of the Bank of Canada are all the same, a very coherent policy, a very simple policy: we must get inflation down in this country and we are going to do that.

* * *

OPEN SKIES CONFERENCE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of National Defence.

Canada is hosting the international Open Skies Conference this week, a move that could provide a landmark in co-operation and confidence building measures.

This morning the Prime Minister said that the cold war is over. However, at the same time the government persists with plans to welcome a NATO tactical fighter centre to Goose Bay, Labrador, a move that would involve the largest military expansion in Canada since the cold war days of the 1950s.

I ask the minister to explain why he is even considering this now. Why will the minister not take leadership for peace in the country and the world?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I will explain to the hon. member if I could. The reason the Government of Canada is considering that as a NATO ally is that Canadian forces pilots fly more low-level sorties over Germany with a population of 58 million people than will be flown by the allies over 100,000 square miles of Canada where no one has permanent residence.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, Germany and the people of Germany have said quite clearly that they do not want the low-level flights there. Canadians are saying the same thing. The Innu are saying they know that if this centre is approved the

number of low-level flights will go from 7,000 a year to 40,000 a year.

The world is changing faster than this government. We have all seen dramatic changes in eastern Europe and the Soviet Union. Has the minister done a thorough internal review of the relevance of a tactical fighter centre in Goose Bay and low-level flights? Are they still relevant and applicable in the 1990s?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as long as the men and women who serve in the Canadian forces are required to do low-level flights, they will need a place to train. As long as the NATO allies rely on low-level flights as a defensive mechanism, there will have to be training.

The offer by NATO to establish a NATO training centre has been put forward. Two countries in the alliance have said that they will attempt to accept this offer. If NATO continues to put forward the NATO tactical training base as an offer to both Turkey and Canada, we will have to assess, as we have already through the environmental impact study and through the other activities that are taking place, the options that Canada has in that case.

• (1430)

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Low-altitude flights will increase from 7,000 to 40,000 annually if Canada approves the NATO Centre.

Considering the reservations expressed by a number of experts about the impact of low-altitude flights on the environment, would the Deputy Prime Minister recommend that the Minister of National Defence stop all low altitude flights until a new, independent study is made?

[*English*]

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, I can only say that the question that was asked in French will receive the same answer in English. No.

TRADE

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to ask a question of the Minister of Agriculture.

I begin by quoting his predecessor, the Hon. John Wise, who had the good sense to resign his seat before these words caught up to him. He said: "The benefits for Canadian farmers will be tremendous if we are able to negotiate a new trade deal with the United States". He went on to say: "It must be a deal which once and for all regulates technical barriers in order to prevent their use to block trade, and a deal which gives Canada more secure access to our largest agricultural market."

In the minister's own speech to the Canada Meat Council on Friday he admitted that the trade deal is a fraud and a failure. He says it has given rise to further harassment by the Americans who are in fact now supplanting Canadian markets by their export subsidy programs and thus we will need a new arsenal of weapons to tackle Americans.

Now that the minister has admitted that the free trade deal is a failure, what are he and his government going to do about it? Rather than using the rhetoric, where is the beef when it comes to getting rid of this free trade deal?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, at no time did I admit that the free trade agreement was not working. The free trade agreement is working. There is a dispute-resolving mechanism.

The fact of the matter is that we are two of the world's largest trading nations and there are bound to be problems that arise from time to time. We have a mechanism now that can resolve these particular issues.

We are simply saying that we are going to use the instruments that are available through the free trade agreement and other mechanisms that we have at our disposal to ensure that the interests of Canadian agriculture and the interests of Canadian farmers are always upheld.

What we have, and the hon. member is very much aware of this, is a trade war that is going on between the European Community and the United States of America. The European Community has been engaged in huge subsidization of grain and oilseeds. It has changed from

becoming a major importer of grains to becoming the world's second largest exporter of grains. It has done it largely through the use of subsidies that have distorted world markets.

This brings into question the issue that the MTN negotiations currently under way are very important. We have to be a part of that process to ensure that the trade-distorting subsidies that are in place will be ratcheted down so that we can again achieve a more level playing field which will allow us to compete more favourably in international markets.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, there is a trade war being waged on the borders of this country by U.S. inspectors who are stopping meat exports from going into that country.

I think Canadian farmers will want to know specifically what the plan of action of this government is. Can the minister tell us when this government will undertake action to retaliate against the use by the United States of an increase of its Export Enhancement Program which is supplanting grain markets for Canadian farmers?

Can the minister tell us when we will take action to stop the border harassment by U.S. customs inspectors?

Will the minister tell us explicitly when he will take action to repair the bleeding away of our farm marketing boards under the yogurt and ice cream measures that were initiated by the United States?

When is this government going to stop using camouflage and smoke screens and start taking action to stop the bleeding away of the Canadian farm industry?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, I find it rather strange that the hon. member gets on to this subject after I made a speech in Toronto raising the issue and indicating that we were not going to sit idly by and allow this to happen.

We are taking the initiative and there are corresponding actions that can be taken. We have advised the Americans that we will do that.

What we have seen is a willingness on the part of the administration to recognize the problem that exists. There are some difficulties they have in terms of resolving the issue.

I am confident that it will be resolved. I indicated directly to Secretary of Agriculture Yeutter and, indeed, to the Ambassador that we can always provide reciprocal action. We can do the same kind of inspections as they are doing, which would not serve the long-term interests of trade between our two countries.

Mr. Maurice Foster (Algoma): Mr. Speaker, last week the Secretary of Agriculture of the United States said that we have just seen the beginning of the use of the Export Enhancement Program by increasing it by almost 300 per cent to $900 million.

Does the minister know that this is destroying our markets abroad and that it is destroying the world price for grain? Can the minister say when the government is going to invoke Article 701.4 of the free trade deal and demand that the U.S. stop harassing our markets abroad?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, not to condone the use of the Export Enhancement Program, may I just point out to the hon. member that the figure to which he is referring is really $900 million and that it is for 1991, and not 1990. The original figure asked for, for 1990, was $1 billion and Congress approved $566 million.

What we have here is clearly a signal to the European Community that unless there is some progress made at the MTN in bringing down the level of trade distorting subsidies, the price war, the trade war will continue.

It is in our interest to ensure that success and progress is made at the MTN. Clearly, Article 701 of the free trade agreement to which the hon. member refers is a possible course of action. We are examining it, plus the fact that we have made direct representations to the Americans indicating that in the process of this trade war that continues, Canada gets sideswiped in the action, as do other countries such as Australia.

Is is an urgent matter, but there are mechanisms under the free trade agreement which we believe can be useful in resolving this matter. We will use those mechanisms.

Mr. Maurice Foster (Algoma): Mr. Speaker, the minister knows that last fall when the government accepted the GATT panel decision with regard to ice cream and yogurt that this had the potential to destroy the whole marketing board system in Canada.

What assurance can the minister give the dairy farmers of this country that when the government does propose changes to Article XI of the GATT that we will not be making proposals that will allow massive new access to our processed dairy products to the Canadian market by United States producers? What assurance can he give the industry?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the opposition is against the free trade agreement. They are against GATT. They are against trade of all kinds. It is quite obvious.

Some hon. members: Oh, oh!

Mr. Mazankowski: He should be the first one to recognize that without trade we would not have much of an agricultural industry because 50 per cent of our agriculture income comes from trade.

The GATT panel that he has referred to has been accepted. We have said from day one that Article XI had to be clarified and strengthened. That has been the position of the Canadian government at the negotiating table.

We will present a formalized position, strengthening and clarifying Article XI so that it will ensure the maintenance of farm marketing boards in Canada.

Clearly, the members of the agricultural community who are involved in the marketing boards and supply management systems are satisfied with our position. Only the hon. member is not.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I rise on the same subject as raised by my colleague, the member for Moose Jaw—Lake Centre, with the minister last week.

I want to refer to the minister's speech as reported in an article which appeared in *The Toronto Star*. It states:

> Mazankowski, who is also agriculture minister, said the intimidation caused by increased inspections of Canadian meat at the border crossings has to stop or Canada will begin to do the same to U.S. imports.

That is what he said. The minister is nodding.

The article states further:

> He also lashed out at American "harassment" of our pork producers. These producers face an 8-cent-per-kilogram countervailing duty on shipments exported to the U.S.
>
> And he said Canada will no longer tolerate being caught in the crossfire of the agricultural subsidy war between the United States and the European Community.

Those are tough words.

• (1440)

I will come to my question after this.

> But he told reporters that his remarks shouldn't be characterized as retaliation against the Americans.

I want to ask the minister this. Are you playing hardball or pat-a-cake? The Americans are kicking the slats out of the Canadian pork producers. The minister makes a tough speech and then you is not prepared to follow up.

Tell this House, through the Chair, Mr. Minister, whether or not you are prepared to do anything, or are you just making speeches?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, the answer to that question is yes, we are prepared to do something.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, will the Minister tell this House that he is prepared today to tell the Americans that he wants to invoke an interpretation of 701.4 right now? Is he prepared to do that right now, today?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, first he was dealing with meat inspection. Then he was dealing with pork. Now he is dealing with wheat. What question does he want answered?

The fact of the matter is the article is there and maybe it is time to test it. We are considering that action.

Mr. Barrett: Pat-a-cake!

NORTHERN BENEFITS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Finance. It concerns the task force report on northern and isolated areas.

Two weeks ago the minister told me that he refuses to meet with the mayors of my riding and other ridings of northern Canada. Is he willing to reconsider his decision and, at the very least, let the program remain as is with the distance factor being the only criterion to qualify?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I did indicate to my hon. friend that with the budget coming up it is very difficult to meet with a broad range of people on this particular subject. I appreciate the hon. member's interest in this. If he wishes to convey any specific suggestions to me, I will be happy to look at those.

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I certainly will.

[*Translation*]

In December 1986, you issued a press release that contained the following statement:

The program's new provisions are fair and reasonable. They renew the commitment made by the Conservative Government to residents in the North and isolated posts.

Does the Minister intend to keep his word and honour the commitments he made to residents in Canada's North?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the hon. member is well aware of the inequities that this program has had, inequities that we are trying to resolve.

We have asked the task force to come up with some proposals. Those proposals were provided by the task force last October. They are under review now. Once we have had an opportunity to have a full study of those, we will be making our decision.

YOUTH UNEMPLOYMENT

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, last Friday we heard the Minister of Employment and Immigration give the government's response to double digit unemployment faced by Canada's students. The response was a 35 per cent cut to the SEED program.

The Canadian Federation of Students estimates that 24,000 jobs will be affected.

Will the minister reconsider these cuts and return to the students their much needed summer jobs as they continue to struggle with higher tuition fees, an increasing debt load, escalating education costs and the future threat of the GST on their education?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I the hon. member and the Canadian Federation of Students know that the average unemployment rate among students aged 20 to 24 last year was 4.7 per cent. That is well below what it is for other people of that age group in other sectors of the population.

I have said that we will make our program sensitive to those regions where there is some higher unemployment than there is in other areas.

I remind the hon. member that in the area that is inhabited by himself and myself there were more jobs than there were young people to fill them last summer.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, when I get up in this House I speak for students throughout Canada, not merely for students in my own area.

Both post-secondary education students and high school students need much assistance. What made the minister's announcement shocking was the fact that the stay-in-school initiative channels funds away from students and gives it to useless, expensive propaganda machines and a bureaucratic maze of consultants.

I will give you some free advice—

Some hon. members: Order!

Mr. Bevilacqua: Why does the minister not give the money directly to the students, not to the bureaucrats and the various businesses which will be making money on this particular program?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I do very much value the hon. member's advice. I certainly value the fact that he speaks for students from across Canada.

I would point out to them all that nobody speaks for students across Canada better than this government has.

Some hon. members: Hear, hear!

Mrs. McDougall: I want to point out that a good part of what is happening in the stay-in-school initiative and in the Challenge program is that it is going to be very much a hands-on program. It is going to be an extension of some of the things that we have been doing now, which includes things like co-op education and other things that I think the hon. member would approve of.

It is very important for our young people that they stay in school throughout high school or they will never get to the post-secondary level. The extra education they get by staying in school, particularly in the less developed regions of the country, will help us in terms of our regional development as well.

* * *

UNEMPLOYMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is to the same minister.

I would like to ask the minister why the report by her advisory committee entitled *Regional Unemployment in Canada—A Nation out of Balance*, which was completed in November, was not tabled and presented to the Canadian people until February of this year.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is up to the advisory council to publish the report whenever it chooses. I was presented with the report last week. It has some interesting ideas in it. When I have had a chance to examine it further, I will be happy to report to the House.

Mr. Rod Murphy (Churchill): Mr. Speaker, the minister's senior officials were involved in this study. They knew last November how the VIA cuts, the unemployment insurance cuts and the post-secondary education cuts were hurting Canadians. Why was that kept a secret from Canadians?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, that sounded like the same question to me. Let me see if I can phrase my answer another way.

The report that was developed by the advisory council and presented to me last week was in the hands of the advisory council. I would hate to think that it was in the hands of my officials because it is an independent council. I think the hon. member would agree that that is the way it should be.

* * *

AGRICULTURE

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is to the Minister of Agriculture. It concerns the farm debt review boards which have been performing a very valuable farm debt intermediation service, but whose mandate is scheduled to expire at the end of March 1991.

Noting this date, a number of valuable farm debt review board employees and counsellors are naturally concerned about their future employment. Given the ongoing need for the farm debt review boards and the expertise of the personnel, can the minister indicate his intention to extend the mandate of the farm debt review boards past March 1991?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, as the hon. member knows, the farm debt review board has been a very successful concept. I believe something in the order of 70 per cent-plus of all the applications that were brought before the farm debt review board have been resolved. I believe something in excess of 8,000 different applications were brought before it.

On the basis of the success that the program has had, we would be very supportive of its continuation.

I have to advise my hon. colleague, as he is well aware, that there is a major review of agriculture policy being undertaken. One of the areas in which we are engaged in the review of is with respect to farm management and financing.

• (1450)

We would ask the task force which is looking at this particular issue in detail to look also at the issue of the farm debt review boards and whether they should play a permanent role in the future.

Having regard to the success and the very comprehensive review that is being undertaken, I can only say that we will make a decision in the best interests of the agricultural community. I hope that will meet the concerns of the hon. member.

* * *

GOODS AND SERVICES TAX

Mr. John Manley (Ottawa South): Mr. Speaker, on January 29 the Minister of Finance said in this House, and I quote: "About one half of the $18 billion in federal sales tax revenue currently comes from the taxation of business inputs."

My question for the Minister of Finance is very simple. It requires just a yes or no answer. Will he agree that the change from the manufacturers' sales tax to the goods and services tax represents the single largest reduction in tax burden at the corporate level in the history of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my hon. friend is playing with words here because he knows that any consumption tax is always paid by the final consumer.

What we are trying to do is ensure that the amount of that tax is the same for all products, rather than having some products taxed at an effective rate of 1 per cent or 2 per cent and other products taxed at an effective rate of up to 13.5 per cent. That is the precise reason why we are moving to a goods and services tax.

The hon. member is trying to be just a little too cute with the question that he has just asked.

Some hon. members: Oh, oh!

Mr. John Manley (Ottawa South): Mr. Speaker, you might say that that was a bit of a cute answer.

The minister cannot have it both ways. Either the reduction tax in business inputs is going to increase the money available for capital investment, which he has been claiming is one of the benefits of the tax, or it is going to be passed on to consumers. It does not work both ways.

[*Translation*]

So I will repeat my question, and it is as simple as this: Does replacing the manufacturers' sales tax with the GST represent the biggest reduction in corporate tax in Canada's history, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that sounded very much like the same question. The answer is still the same.

Taxes that are consumption taxes are paid, ultimately, by the consumer. Businesses are collectors of taxes along the way. They pass those taxes on through their price to the consumer. In that way the consumer ends up paying.

That is precisely the problem with the existing tax because, depending on the method of distribution and depending on what the tax rate is on the basic product, there may be a tax rate of 2 per cent, 5 per cent, 7 per cent or 13.5 per cent. In some cases I have heard of tax rates at 19 per cent.

What we are trying to do through this GST reform proposal is to ensure that all products are taxed at the same rate of 7 per cent where they are taxable.

* * *

JUSTICE

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the Minister of Justice.

We all know that one judge in this country called a three-year-old girl sexually aggressive. We all know that another one said that sexual assaults against native women were not so serious. We all know that a third said that rules like women were made to be violated.

We all know, too, that Madam Justice Wilson at Osgoode Hall last week called for education of all judges on gender issues.

Will the Minister of Justice assure this House that such programs will immediately be undertaken? Will he personally oversee this small step on the road to true equity?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, my hon. friend will know that in the previous administration of this government we set up the Canadian Judicial Centre to provide courses and training for the judiciary.

I should point out to her that a course in sexism is being presented this summer.

She will also know that this government has far exceeded the numbers of the previous Liberal administration in the appointments of women to the bench.

She will know that there are now three women sitting on the bench of the Supreme Court of Canada.

We are making every effort to tackle this problem. If my hon. friend has any suggestions I would welcome them.

Ms. Mary Clancy (Halifax): Mr. Speaker, it sounds good and the government likes to talk numbers, but let us talk percentages.

Given that only 9 per cent of federally appointed judges in this country are women, can the minister give a commitment that this government will significantly increase the numbers of women judges within its purview and do it soon?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, since my hon. friend brought up percentages, I would suggest to her that 16 of the 66 judges elevated to higher office, or 24 per cent of the elevations made by this government, were women.

Also, 16.7 per cent of the total appointments have been women. My hon. friend will know but will not admit it on the floor of the House that that is much better than the previous Liberal administration.

Some hon. members: Hear, hear!

* * *

THE BUDGET

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my question is for the Minister of Finance.

Canadians outside of Ottawa are incensed that budget documents will not be made available to them as traditionally done on budget day, but will only be made available in Ottawa.

Does the Minister understand that individuals and small corporations will be at a disadvantage because they will not be able to act with the same speed as large corporations which have a presence in Ottawa? Does the Minister realize that this decision is unfair and places Canadians not residing in Ottawa at an economic disadvantage?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the concern that is expressed by my hon. friend. We have revised the processes for the distribution of documents this year. I am sure he is aware that at the opening of business the next day people across the country will have the budget documents and will be able to work from those in a very short period of time after the budget is brought before the House.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the Minister of Finance has simply confirmed that people across Canada will not have the same opportunity as those residing here.

Can he explain this to the House? The budget leak took place in Ottawa—not in Montreal or Vancouver. Why is he punishing the people in Canada rather than those responsible in Ottawa?

Mr. Boudria: Ottawa is in Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is not a question of punishing anybody. What we are doing here is having a slight change of the processes by which we distribute budget documents.

There will also be available the various services to which most of the law firms and accounting firms are subscribers. That is where most of the businesses get their information from.

In that way they will be able to get the same amount of information just as quickly as they were able to before. It is just that the documents themselves will be a few hours later.

* * *

GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance.

The minister has insisted that the current MST content for new housing is 4.5 per cent of the cost of a house, while the housing industry has insisted that the figure is closer to 3.7 per cent.

The Minister maintains that the GST will have little or no impact on housing prices, but industry figures show that house prices will increase by 2 per cent.

I have been informed that Revenue Canada has done a calculation on the existing MST content of new housing and has discovered that it is considerably lower than the Department of Finance figures.

Will the Minister next week table the calculations of Revenue Canada and the calculations of the Department of Finance with the finance committee so that the public will know once and for all that the GST is bad for housing and bad for people?

Some hon. members: Hear, hear!

• (1500)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have said that there is a range of effective tax rates. I have never said that it is just 4.5 per cent. In some communities it is 4.5 per cent, in other communities it is less than that. I have said that it is less than the 3.7 per cent average the building industry is saying that it is.

But when you compare that 3.7 per cent to the 4.5 per cent net GST, that is, the 7 per cent less the 2.5 per cent rebate, the difference is less than 1 per cent. That is the point that I have made time and again. The 1 per cent difference in the price of a house is not going to affect adversely the affordability of housing and that is the commitment that we made.

Mr. Joe Fontana (London East): Mr. Speaker, I find that answer quite unacceptable and so do the people who want to buy new houses in this country. One per cent on a new house in Toronto is somewhere in the neighbourhood of $8,000 to $9,000. One per cent in London, Ontario, is $2,000. One per cent in Vancouver is $6,000. One per cent in Nova Scotia is about $1,000. People who want to buy new houses do not need any additional new taxes on new housing.

Some hon. members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my colleague says that 1 per cent is $8,000. That is an $800,000 house to which the hon. member is referring. This is another example of the Liberals standing up for their rich friends.

We do not feel that it is necessary to protect people in this country who can afford an $800,000 house. If that is the policy of the Liberal Party, so be it. It is not the policy of this government.

Some hon. members: Hear, hear!

Speaker's Ruling

PRIVILEGE

TAKING OF VOTES—SPEAKER'S RULING

Mr. Speaker: I wish to bring to the attention of the House a ruling on a question which hon. members will remember was raised by the hon. member for Calgary West on Wednesday, January 24, following several recorded divisions that day. Put simply, there was the suggestion that some hon. members may have voted twice.

Subsequently, these incidents were raised by the hon. member for Calgary West. The hon. member claimed, as a question of privilege, that contrary to the established rules and practices of this House, two members voted twice on those divisions. This charge was denied by the members involved, both on Wednesday when the issue was first raised, and again on Thursday.

The issue was extensively discussed last Thursday and I wish to thank all hon. members who made presentations.

On Friday, the hon. member for Windsor—St. Clair offered an apology to the House for any unintended misunderstandings caused by his actions during the divisions in question. This apology closes the matter in so far as the question of privilege is concerned.

[*Translation*]

However, as Speaker, I want to make a few comments on the events that took place. It is accepted practice that when the House is considering an item of government policy that is highly contentious, members of the opposition will seek to use any means available to them to delay the proceedings. As we have witnessed over the years the ingenuity of the opposition to find ways to delay the business of government is considerable. Such dilatory tactics, are of course, an important part of the adversarial nature of this place and a legitimate tool for the opposition. At the same time, however, I must point out that any such tactics by the opposition must fall squarely within the rules or practices of the House and I would ask all Hon. Members to keep this in mind.

[*English*]

At no time should dilatory tactics ever detract from the authority or the dignity of the House. In the heat of the moment, members may sometimes depart from the normal courtesies, but the basic respect for our practices must be insisted upon. The Chair would be derelict in its

duties to all hon. members and to this institution if it were to tolerate any erosion of that respect.

Therefore, I urge members on all sides of the House to consider their behaviour carefully, and most especially, in the heat of partisan debate in order that we may preserve and protect the dignity and respect due to this Chamber in which we have all been called to serve.

I thank hon. members for their interventions.

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BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to thank you for your ruling and I would also like to officially notify the House that tomorrow will be an allotted day.

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN NATIONAL

TABLING OF REPORT OF THE CHAIRMAN OF THE BOARD

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table a report by the Chairman of the Board of Directors of Canadian National concerning the business relationship of Mr. Brian Gallery with Canadian National.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government responses to 300 petitions.

[*Translation*]

ELECTIONS, PRIVILEGES, PROCEDURE AND PRIVATE MEMBER'S BUSINESS

TABLING OF TENTH REPORT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to table the Tenth Report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

[*English*]

As Your Honour will have heard, in the view of the committee, the name of this committee is excessively long. The tenth report is quite a short and simple one. It recommends that the name of the committee be changed to the Standing Committee on Privileges and Elections.

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EXPORT DEVELOPMENT ACT

MEASURE TO AMEND

Hon. Lloyd Axworthy (Winnipeg South Centre) moved for leave to introduce Bill C–286, an act to amend the Export Development Act (commercial credits).

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. members: Agreed.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I am proposing amendments to the Export Development Act which deal with giving the Export Development Corporation new powers to provide for the marketing of commodities from Third World countries. As we all know, this creates very serious problems right now with Third World debt. Many Third World countries have great difficulty in marketing their commodities. This will allow the Export Development Corporation to market those commodities, keep the currency in Canadian terms and then allow them to buy goods and services in Canada. I represent this bill to the House.

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

Some hon. members: Agreed.

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

* * *

PETITIONS

CRIMINAL JUSTICE SYSTEM

Mr. Pat Sobeski (Cambridge): Mr. Speaker, it is my honour and duty in accordance with Standing Order 36 to present a petition from 1,400 residents of Cambridge and Kitchener who support more severe criminal sentencing for violent crimes. They ask Parliament to pass legislation establishing mandatory minimum sentences for all violent crimes which would apply uniformly to all regions of Canada.

NORTHERN BENEFITS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, I have three petitions to present today. The first one I have the honour and privilege to present was collected by the Mayor of the northern village of Green Lake, a Métis community in northwest Saskatchewan, a community that experiences 85 per cent unemployment and a high social assistance problem.

The petition calls on the Parliament of Canada to reject the recommendations of the report of the task force on tax benefits for northern and isolated areas released in October. It calls on the government to recognize the financial needs of the people in northern and isolated areas. This is signed by 197 people in the northern community of Green Lake.

• (1510)

The second petition I have is signed by residents of the community of Pierceland, another community in northwest Saskatchewan in my riding of The Battlefords—Meadow Lake. The petition recognizes that residents of northern Canada need a real tax benefit which recognizes the high cost of living and working in areas prescribed as northern and isolated, and calls on the government to reject the recommendations of the task force on northern benefits and declare an equitable and fair tax program for residents of the North.

Mr. Speaker, finally, it is my pleasure and privilege to present a petition signed by an additional 114 people in the town of Meadow Lake, Saskatchewan. The petition also recognizes that the report of the task force on northern benefits released in October, fails to address the realities of the economy of northern Canada, and calls upon Parliament to reject the recommendations of the task force report and to develop a fair and equitable tax benefit program, recognizing the financial needs of the people in northern and isolated areas.

GOODS AND SERVICES TAX

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to present two petitions. The first one is from a number of Canadians who are very disturbed that the GST has been introduced in this House. They call upon the government to take actions to withdraw this tax immediately.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, my second petition is from a number of Saskatchewan farmers who are concerned with respect to the future of the Canadian Wheat Board. They are concerned that oats have been removed from the jurisdiction of the Canadian Wheat Board and that wheat and barley may also be removed, completely removing the necessity for a Wheat Board.

They call upon the government to reinstate oats to the jurisdiction of the Canadian Wheat Board and provide oats with the same protection that barley and wheat have under the Wheat Board Act.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it gives me pleasure to rise today pursuant to Standing Order 36 to present a petition on behalf of a number of residents of Nova Scotia. These residents petition the Minister of Finance against his proposed goods and service tax, saying that it is an unfair form of taxation because of its lack of regard for the taxpayer's ability to pay. They ask the minister and the government to cease this proposal to shift the tax burden onto ordinary Canadians through a regressive consumption tax, instead of through real tax reform.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to present a petition pursuant to Standing Order 36 from University of Ottawa students in my riding of Ottawa—Vanier. These students wish to voice their strong opposition to the imposition of a 7 per cent goods and services tax and join with the hundreds of thousands of citizens opposing this very regressive and unwanted tax.

[*Translation*]

NORTHERN TAX BENEFITS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I herewith table one petition from Matagami and one from Lebel-sur-Quévillon, arising from recommendations made by the Task Force on Tax Benefits for Northern and Isolated Areas.

Your petitioners who represent these isolated communities are very concerned and reject the report's recommendations, one consequence of which would be that many workers would be laid off.

They believe that the Government of Canada refuses to make adjustments to reflect the harsh realities of life in the North.

[*English*]

CANADA POST CORPORATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it gives me great honour to table a petition signed by nearly 200 people in the community of Dubuc in my riding of Yorkton—Melville. The petitioners call upon the House to keep the post office in Dubuc open. Canada Post is in the process of trying to close that post office. In fact, last week Linda Ungar and Daphne Hedstrom of Dubuc were down here and spent an hour before the Consumer and Corporate Affairs committee explaining that they wanted to save the post office as is and that they did not want to have a retail postal outlet in the town of Dubuc.

With 200 signatures on this petition, almost everybody in the village and the surrounding farm area have signed the petition. I think you can see how serious they are. I hope the House will take it as such.

GOODS AND SERVICES TAX

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is my honour and duty to present petitions on behalf of 200 or so constituents of Saskatoon—Humboldt and of the constituency of the Minister of National Defence.

People in places like Wakaw, Cudworth, Birch Hills, Alsask, and Kerrobert call upon the government to reject their current proposal for a goods and services tax, to reform the taxation system so that there is a maximum tax on wealthy corporations and individuals, and to ensure that a regressive tax not be put on but that tax reform be dealt with so it is of value to all Canadians.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, pursuant to Standing Order 36 I rise to present two petitions on the subject of the goods and services tax, signed by some 150 Canadians from the provinces of Ontario and Quebec.

The petitioners point out that since September 1984 this government has imposed at least 31 new tax increases on Canadian taxpayers and suggest strongly that the imposition of the new goods and services tax will cause serious and unfair hardship to low and middle income Canadians, and will create an onerous burden on small business.

For those reasons they call upon Parliament to reject the proposed goods and services tax.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to table nine petitions representing hundreds of Canadians in my riding of York West who indicate through their signatures their disapproval for the government's goods and services tax.

Not only will it place an unfair burden on those low and middle income earners in York West but, as well, deliver a crippling blow to the extensive small business sector that forms the backbone of this community and indeed Canada.

I urge this government to reject its goods and services tax and provide Canadians with serious and genuine tax reform.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I have petitions to present today from residents of my constituency who have great concerns about the proposed goods and services legislation.

Besides these petitions that I have in my hand, I have received thousands of signed petition forms from my constituency from people who did not address me through petitions on the correct form. Many of the people who have presented these petitions to me represent lower income families in my riding for whom the child tax credits and the credits suggested by the government will simply be insufficient to cover the costs of the goods and services tax for them.

They simply cannot bear the burden of this added taxation and ask the government to repeal this proposed legislation.

[*Translation*]

PROTECTION AND REGULATION OF ATLANTIC FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, it is also my duty to present in the House a number of petitions from people in my riding, residents of Cap-Pelé and Petit-Cap. Your petitioners humbly state that Canada's sovereignty has been violated and its resources plundered, and that the fisheries are at the very heart of the Atlantic region's economy.

Therefore, your petitioners humbly pray and call upon Parliament to extend its jurisdiction to include the entire continental shelf, so that Canada can protect and regulate the fish resources that are vital to Atlantic fishermen.

[*English*]

GOODS AND SERVICES TAX

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a total of 16 petitions from various parts of Canada, including many from the riding of my friend, the Leader of the Opposition, in Windsor, Ontario.

People in my riding and people all over this country by the hundreds of thousands, and particularly lower income people and those people who now have no income because of the collapse of the fishery of Atlantic Canada, are calling upon the government to withdraw the goods and services tax which is being proposed.

They appeal to the government to rethink, review and take this tax back to the drawing board. The tax will not work and this is just the first signal of a growing, all-out tax revolt. I have pleasure in tabling the petitions.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

• (1520)

PRIVILEGE

REMOVAL OF AT AND EAST PROGRAM

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to bring to your attention a matter which I feel is a contempt of Parliament. It deals with Bill C-26, commonly referred to as the at and east program. I believe the action taken by Transport Canada and the Minister of Transport have usurped Parliament and in so doing have impeded the House in the performance of its function in respect of Bill C-26.

I propose very briefly to outline the relevant facts and state why I feel that a contempt of this House has been committed.

In last year's budget, it was announced that the at and east program would be eliminated effective July 15, 1989. This program is found in Section 281 of the Railway Act which provides a subsidy to railways that are hauling grain and flour to eastern ports, mainly Saint John and Halifax, provided certain conditions are met. This program has been in effect for 20 years and in fact a whole economy has been built up in the maritimes around this program.

First reading of Bill C-26 took place on June 16, 1989 and since then the bill has not seen the light of day in this House until today. In the meantime, a series of moves by Transport Canada have, in effect, eliminated this program. This started with a meeting held on May 4, 1989, by officials of Transport Canada. That meeting was confirmed in a letter to myself from the Minister of Transport in which he states, and I quote:

> On May 4, 1989, Transport Canada officials held a meeting in Ottawa with representatives from affected organizations to provide information on the decision.

This was followed by correspondence from Mr. C. McElman, Director of Rail Freight Programs with Transport Canada. This correspondence discusses the removal of this program.

As a result of this meeting, correspondence and other discussions, both CP Rail and CN Rail stopped hauling grain and flour pursuant to this section. This was confirmed, first of all, by letter from CP Rail on September 22, 1989. It states:

> By letter dated June 27, 1989, Mr. McElman replied that the grain must be loaded in a railway car at an inland point on or before July 15, 1989 to be eligible for subsidy. Mr. McElman's reply confirmed the budget speech of the Minister of Finance.
>
> In a further letter dated June 29, 1989, Mr. McElman again confirmed the demise of the At and East rates, when he stated, in part, that the rates and subsidy program are cancelled on the dates specified, even if Parliamentary approval comes at a later date.

A letter from CN Rail on December 13 confirms the same thing. It states: "CN has effectively cancelled certain provisions of Tariff—as they apply to the movement of grain in bulk and of flour for export".

This initiative is directly related to information provided by Mr. C. McElman of Transport Canada who clearly stated to the industry that even if parliamentary sanction was to be received at a later date, the rates and subsidy program would disappear on July 15, 1989.

How is this contempt of Parliament? In referring to your order of October 10—and I am paraphrasing—I believe a number of authorities have indicated that any act or omission which obstructs or impedes either House of Parliament in the performance of its function could well be contempt.

Mr. Speaker, in paraphrasing your words, also any act that has the effect or tends to diminish the authority of the House in the eyes of the public may well be contempt.

I believe this has happened with this bill and that this House will now be impeded in dealing with Bill C-26. This happened in two fashions: first of all, by the actions of Transport Canada and the Minister of Transport, as I have just outlined, and second, the fact that the bill has not been back in this House for seven months since the removal of this program. In fact, it has not been in the House since this program has been removed *de facto*. This has had a major effect on certain regions of the maritimes, particularly in Saint John, New Brunswick and Halifax, Nova Scotia.

I believe that the matter hinges, to some extent, on the fact that the bill is retroactive. I want to make it very clear that there is no dispute that bills can be retroactive. That is very clear. If, in fact, this bill passes this House, it will be good law. However, it is submitted that there is a need to be reasonable with this type of legislation.

Professor Hogg, who is one of the country's leading constitutional experts discusses this in the second edition of his book on constitutional law. On page 776, he states:

> The power to enact retroactive laws, if exercised with appropriate restraint, is a proper tool of modern government.

But he stresses "appropriate restraint".

I think that also has to be considered in light of your ruling, Your Honour, on October 10, in which you stated at page 4461 of *Hansard*:

> I expect the Department of Finance and other departments to study this ruling carefully and remind everyone within the Public Service that we are a parliamentary democracy, not a so-called executive democracy, nor a so-called administrative democracy.

I am concerned about the period since Transport Canada effectively removed Bill C-26 as it now stands drafted. What authority does Transport Canada have to make such an implementation? I think none. Only Parliament can enact or change legislation. Although we must be flexible, cabinet does not make the laws in this country, nor do departments. We are not in an executive or administrative democracy. If we are, why do we have Parliament at all? Surely there must be a role for parliamentarians to play in this country. If it is not the case, maybe we should all go home.

Mr. Speaker, unlike the GST which was referred to in your ruling on October 10, this is not something that will happen. It is something that already has happened. Already rail grain shipments have stopped to Halifax and Saint John, the elevator at Saint John has announced it will be closing at the end of February, the Halifax elevator is in trouble and Dover Flour Mills in Halifax is suffering. It is estimated that this is going to cost the maritimes some $27 million annually along with some 250 jobs. It is already happening because of an executive or administrative decision, not because of any act of this Parliament.

If Parliament should decide to leave the at and east or make any modifications, it may be too late because, as I said, already the elevator at Saint John is closed and this whole infrastructure that has developed around this program is being dismantled. The bill was introduced in June, the program was eliminated in July and it is only now that the bill is coming before Parliament.

In summary, there are two reasons for contempt today. First of all, that this bill is going beyond convention and historical practices of retroactive legislation. A distinction must be drawn between tax legislation which is, by its very nature, subject to ongoing modification and a

situation such as represented by Bill C-26 with a termination of a longstanding subsidy program has caused serious economic dislocation for the affected regions and industries in Saint John and Halifax.

Second, this bill was on the Order Paper for seven months before it was brought before this House and there has been serious economic upheaval created in the maritimes by a *de facto* decision of a department of this government. This was done not because of any instructions, order or decision made in this House. If Your Honour so finds that there is a *prima facie* case, I would be pleased to make the appropriate motion.

Mr. Cooper: Mr. Speaker, I listened with interest and I am a little disappointed that the hon. member did not give us an advance warning that he intended to raise this question of privilege. That would have given us a chance to look at the arguments he wanted to make and the issues he wanted to address.

Mr. Speaker: Perhaps the Chair can assist the hon. parliamentary secretary. The hon. member has raised an interesting and complex argument. He has argued it in a very succinct fashion and I thank him for it.

If the hon. parliamentary secretary would like to adjourn this over until tomorrow afternoon, I would be very pleased. I notice the hon. member for Kingston and the Islands is rising. Given the argument that has been put forward, it might be appropriate. If so, I certainly will do so.

Mr. Cooper: Mr. Speaker, in fact, that is what I was going to request, that we be given some time to look at the hon. member's arguments and to consider our own so that we can properly address the issue.

• (1530)

Mr. Speaker: I have to say that whatever my ruling on the application might be, it would not interfere with debate continuing on the bill. The hon. member has made it very clear that the complaint is in terms of the action by the two railways and the department before this bill became law. Whatever happens in the debate takes nothing away from the argument that the hon. member has put forward.

I see the hon. member is indicating his agreement, as is the hon. member for Kingston and the Islands, to put the matter over so that the Chair can hear further argument tomorrow. Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

Hon. Shirley Martin (for the Minister of Transport) moved that Bill C-26, an act to amend the Railway Act (grain and flour subsidies), be read a second time and referred to a legislative committee.

She said: Mr. Speaker, I am pleased to open the debate on second reading of Bill C-26, an act to amend the Railway Act. This government is committed to building a strong economy, an economy encouraged by incentive and opportunity, an economy which is competitive with the world's trading nations.

In order to fully achieve this goal we must create a solid base which will allow our economy to flourish in coming years. Measures which seek to control the deficit and reduce the national debt are an essential element of this foundation for the future. Equally, measures which seek to establish a sound fiscal framework to sustain a continued economic development are also essential to our purpose.

These objectives are reflected in this government's commitment to a sound transportation policy. Transportation is and always will be at the heart of our nation's economy. That is why we have undertaken to provide Canadians with a safe, efficient and effective transportation system. This commitment is the core around which our policy of economic regulatory reform was built.

With the advent of the free trade policy and the role played by transportation in our economic development, it is becoming increasingly vital as we enter this new decade and in the next century. A cost effective transportation system is essential if Canada is to preserve and enhance its position in world trade. Therefore, the bill now before this House seeks to eliminate a subsidy which has outlived its original purpose and has become a burden on the public purse.

By way of background, Bill C–26 deals with a transportation subsidy which is commonly known as the at and east subsidy. This rather odd name evolved from an attempt to counterbalance American freight rates which would encourage the movement of western Canadian grain between Buffalo, New York, and the port of New York City during the winter freeze up on the Great Lakes; in other words, movements at and east of Buffalo. The subsidy which was introduced in an effort to counter this U.S. initiative and to keep our winter grain movements on Canadian soil quickly became known as the at and east subsidy.

The subsidy gave shipping rail rates to eastern ports which were frozen at the 1960 rate for grain and the 1966 rate for flour. The government then paid the railways an amount equal to the difference between the frozen rates and the actual cost of the movement. The level of the subsidy was independently determined by the National Transportation Agency.

The amounts of grain which move under the at and east subsidy represent less than 3 per cent of our total grain exports in a normal year. Various impact studies have been done on this subsidy in the past 15 years. They have all acknowledged that the at and east subsidy no longer serves the purpose for which it was originally intended. Canadian ports and railways can now compete effectively with their American counterparts for eastern exports of grain and flour.

Canadian taxpayers cannot afford to pay subsidies based on a 1960 policy which is no longer required. Savings are expected to be about $20 million in the first year and some $35 to $40 million annually thereafter. The subsidy was terminated on July 15, 1989.

However, the legislation stipulates that all inventories of grain and flour which were held by the railways on that date would be delivered at the subsidized rate, provided they reach the eastern port for export on or before January 31, 1990. This sixth–month period allowed for a smooth transition thereby minimizing the impact on the users.

Pre–confederation Canada had to struggle constantly to meet its transportation challenges. This rugged land of vast spaces needed unifying bonds. Our early needs for unification were met through the realization of Sir John A. Macdonald's grand dream of a transcontinental railway. The openings of the St. Lawrence Seaway and the Trans–Canada Highway in 1959 and 1962 had enormous positive impacts on economic development and transportation. With new and ever growing technology, our expanding airwaves and communication have reduced the size of this country, and we are all now truly neighbours in this great nation.

Transportation must continue to play its vital role as we enter this new decade and the next century. In looking forward I see a transportation system with at least four essential elements: first and foremost, it will be safe; second, it will be efficient and effective, that is, it will make the best use of each mode of transportation, be it air, rail, marine, car, truck or bus; third, it will be responsive, that is, it will meet the needs of shippers and travellers; fourth, it will be innovative, both in the use of technology and in the services it offers.

The bill currently before us is one step in that direction. It will stimulate creativity and innovation. It will allow the industry to take advantage of unanticipated sales opportunities, no longer constraining potential cost savings.

Direct federal government expenditures associated with the grain transportation are very large. It must be remembered that the Canadian grain industry faces severe competition in world markets. A cost effective transportation system is essential, if Canada is to preserve its position in the world of grain trade. We must face the realities of our economy and our transportation system. Bill C–26 does just that. Therefore, I invite all members to give this legislation their full support.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise to speak to this bill today as a member of Parliament, as one who has spent a lifetime in the agricultural industry, and as one who recognizes the benefits that came from this particular bill, not just to farmers in Ontario but farmers all across western Canada.

It shocks me that the government would be withdrawing this at and east legislation at a time when the minister's own figures point out that for the coming year farm income will drop in Canada by 39 per cent: 101 per cent in the province of Saskatchewan and 87 per cent in Manitoba. Literally thousands of farmers across this nation are losing their farms, partly because of the callous disregard for their industry by this government and partly because of the cut–backs in funding. The

cut-back for the coming year will see the income drop by $2.6 billion, a drop of 64 per cent. We see these cut-backs taking place at a time when our neighbours to the south with whom we have that free trade agreement are gearing up to increase their export enhancement program for next year. This year the export enhancement program will see at least $566 million pumped into their export programs.

• (1540)

When the minister said that they are building a better, stronger economy, an economy that is competitive, I must ask: how do we compete with the subsidies of other countries when we are cutting ours out? Who is bearing the burden? The farmers are bearing this burden on their shoulders. It is coming to the point when they can no longer carry that burden and carry the rest of society.

They say that it is to reduce the deficit. The increase in taxes in the last budget on alcoholic products and tobacco was $475 million. The moneys spent on the at and east are a drop in the bucket compared to that.

We hear that free trade has made it vital to develop a cost effective transportation system. I would like to know how we can move the grain through the Seaway system with the winters we have in Canada, whereas the Mississippi waterway largely stays open for most of its length during the year. It seems very strange indeed that while we are cutting back on subsidies here in Canada, our neighbours to the south with whom we are competing for world markets are increasing theirs.

The at and east legislation was brought in, in the 1960s, not just to help the western farmers or the Ontario farmers. It was brought in for a very specific reason based on the fact that we needed a place to consolidate our grain shipments for export. We had flour mills in Atlantic Canada that needed a steady supply of grain over the winter months. Consequently the grains eligible for at and east rates included wheat, wheat flour, oats, barley, rye, corn, buckwheat and soybeans. For bulk grains, the subsidy applied for rail shipment from Georgian Bay in Ontario. This is where I as a farmer was able to make use of that program through our marketing boards that stored the grain in those Bayport elevators for shipment later on during freeze up to the Atlantic coast to supply those flour mills and those ports by rail, for export.

Last winter the Canadian Wheat Board moved only 202,730 tonnes of prairie grain under the at and east rates, with 25,192 tonnes going to Quebec City and the rest to the Atlantic ports in Halifax and Saint John. On average, the rail shipments by the Canadian Wheat Board have been more like 400,000 to 500,000 tonnes per year.

What we are doing here is withdrawing the subsidy. Those markets in Atlantic Canada will now be available for imported grain out of the Texas gulf coast or other countries. Again Canadian producers will be deprived of another market. It is also interesting to note that local feed grains produced in Atlantic Canada only account for 20 per cent of Nova Scotia's requirements, 35 to 40 per cent of New Brunswick's requirements, and 80 per cent of Prince Edward Island's requirements.

That is going to cast an additional burden on the livestock and poultry producers of Atlantic Canada, as well as put a burden on and take a grain market away from farmers in the west.

I look at the amount of the United States grain that has been sold under the export enhancement program with subsidies that range from $6.48 a tonne back in September 21, to the most recent sale where they sold almost half a million tonnes of wheat to Russia with subsidies of $20.50 a tonne. I would ask the government to reconsider what it is doing by way of throwing these markets open to the vultures of the market-place and depriving them of Canadian grown grain of higher quality that can fill those markets.

In the budget that was leaked last April there was a total of $399 million listed that would not be available to the farmers of Canada. For example, a $200 million cut in crop insurance, $60 million for the at and east legislation before us today, rail branch line rehabilitation of $48 million, the grain and crop advance payments of $54 million, dairy exports of $12 million, commodity based loans at the Farm Credit Corporation of $15 million, and the Canadian Dairy Commission of $12 million.

When I see programs like that being discontinued, apparently under the guise of cutting back the deficit, I wonder how much of this was cut back in order to conform to the free trade agreement. Then I read where the Secretary of Agriculture of the United States told

the United States Senate last April 19, that he intended to write agricultural policies not only for the United States but also for the European Common Market, Canada, Argentina, Brazil, Australia and so on.

I have to wonder if this legislation is some of his handiwork and if he has convinced the government to cut back on these and leave our producers out hanging in the breeze to wither and die when their subsidies are cut off. These subsidies have enabled them to compete very effectively over the years with the large geographical expanse that we have in this nation, to make their products available at the seaports on either side, east or west, and to provide jobs to the Canadian people.

In terms of the loss of jobs, according to the report of the Canadian Transport Commission on the at and east the following direct job benefits to the program were identified: 320 jobs connected with transport, 295 jobs in milling in western Canada, 75 jobs in the Georgian Bay ports, 85 jobs in Halifax and Saint John, and milling in central Canada was 402 jobs. Almost 1,200 jobs are connected to this piece of legislation.

The downturn in the economy in Atlantic Canada, and the disastrous impact resulting from the closure of the fish plants, is an equally hard blow to those people in Atlantic Canada. This program that served them so well should be continued and enhanced to make our milling companies, flour mills and ports competitive with those of our neighbours to the south.

The benefit of utilizing the at and east route for the Ontario wheat producers, for example, is very clear. It enables them to average export sales over the winter months. They have a system of pool pricing whereby they are able to do this, but they are providing importing countries with a continuous supply of grain, while yielding the producers the best average return.

The importing countries that are mentioned are buying this high quality wheat from Canada, the pasta wheat, and the at and east legislation allows the Wheat Board to keep a portion of the total volume of Ontario export grain temporarily off the market and spread those sales throughout the year to act as a hedge against a drop in price.

• (1550)

However this government does not think that way. It is quite content to sell it to the very large multinational grain companies and let them have control of it at harvest time and then reap the benefits of any price increases. Typically, under this system that we have at the present time, if the price is not acceptable to the Wheat Board it will choose to stay off the market and eventually move the grain by at and east, if necessary, when the price is more favourable, and since this route is subsidized, the Ontario wheat producers can use it with little financial penalty.

They say that in due consideration of the economics associated with the at and east program as applied to the total marketing system, the Ontario Wheat Board considers the program to be invaluable to its operation and to the interests of all facets of the industry. For the amount of dollars expended on the subsidy program it may be the best and least expensive insurance plan available to the eastern marketing system. That not only includes the Wheat Board. It also includes the elevators, the flour mills and the ports that I mentioned earlier.

Already the impact of this is showing up in the Bayport elevators in Georgian Bay. One of them is slated for demolition this year because of the loss of this legislation. This is another blow to the economy of those ports. I hesitate to say: "Forgive them Lord for they know not what they do".

Removal of the program would also reduce the income of the grain producers of Ontario in the amount of $3.60 a tonne, according to a Department of Agriculture working paper. They went on to make the statement that combined with the lack of transportation facilities and inadequate storage capacity the cost increase would have been more adversely affected across the country.

This attack on the maritimes too cannot be condoned. It may result in even less rail service, for if grain is no longer shipped by rail by the Canadian Wheat Board and the Ontario Wheat Growers Marketing Board the viability of several lines is put in question.

In 1988, according to the National Transportation Agency, 722,000 tonnes of export grain and 222,322 tonnes of export flour moved under the at and east rate structure. Atlantic ports represent 90 per cent of the total tonnage. If the program terminated and the elevators remained operational, $14 million in economic activity will be lost and the loss of feed costs would be

$222,000. Local milling producers would be faced with a loss of their only market should the flour mill in Halifax be unable to continue. It would result in a higher procurement costs for the feed industry and higher feed prices.

The maritimes are dealing with abandonment of approximately 50 per cent of the rail network in the region. Any loss of traffic which will affect the viability of the remaining lines is viewed as a very serious matter.

Canadian flour exports will be practically non-existent without the subsidy. This is a statement made by the Canadian Transport Commission. In the case of the flour milling industry it is likely that the size and scope of this sector will be greatly reduced. The export market might well disappear unless the government introduces some sort of assistance. Fred Hanson, flour co-ordinator of the Canadian National Millers Association, said that Halifax will lose business to Montreal and other western Canadian ports. I think the ports of Halifax and Saint John will be hard pressed to remain competitive.

The government looks upon the at and east as a subsidy. We should look at it rather as a positive effect on exports, yet here we are removing it. As I mentioned earlier, the export enhancement program in the United States is being maintained and increased. Indeed the government's and the minister's own Green Paper laments the lack of exports from Canada of highly processed agri-food products, noting that only 2 per cent of our total food exports are processed. Yet one hand does not know what the other hand is doing, because they are taking away this subsidy and then complaining about the fact that we do not have enough processing in Canada.

Similar to the advance payments for crops, *The Budget Papers* only identify partially the purpose of the program to rationalize the removal of the interest-free payments. This itself put the farmers of Canada under a further burden, and yet piece by piece we have seen the support systems of Canadian agriculture taken away at a time when we have to be competitive in world markets. We are playing the Boy Scouts while all the other countries are getting behind their producers and assisting them to be competitive, whether it is through subsidies or export enhancement programs that we see here in North America or some of the subsidies of the European Common Market.

This program was brought in, in 1966, by the the hon. John Pickersgill. He stated that according to the Board of Transport Commissioners these rates were already unremunerative. We decided to keep those rates at the present level and pay compensation for doing so because we felt there was an obligation in the east with regard to the Crow's Nest Pass rate. The purpose was to ensure that we would have rates that would provide some inducement and incentive to shippers to use the facilities of the Atlantic ports.

Even 24 years ago the administration at that time realized full well that we had to have some assistance to those Atlantic ports to ensure a flow of product to the east that provided jobs and opportunities and the continuity of product to keep those mills running over the winter months.

Cancelling this program will only reduce the federal deficit by approximately $40 million. It cannot be said that cancelling a program contributes in a meaningful way to reducing the deficit. I referred to this a moment ago, that it is piecemeal at the very least.

The current tax paid by the agricultural industry is far greater than the total expenditure of the agriculture budget. Agriculture not only pays its way, but it contributes to the fiscal budget in a very positive way and contributes to the balance of trade. We have seen our trade surplus plummet this last fall. I would have to suggest that with the withdrawal of the at and east subsidy it is going to plummet even further.

The government talks about an economy that is competitive. Our producers are competitive here in Canada. We are among the best in the world, the most competitive in terms of productivity.

For example, milk production per cow has gone up 70 per cent in Canada since 1971. During the same period in the United States it rose by only 46 per cent. If we want to judge efficiency by price we look at poultry. We see that while the real farm gate price of poultry has dropped by 30 per cent since the 1970s, the retail price has just dropped by 10 per cent over the same period. Who is the most efficient? Is it the farmers or the food processing industry?

In terms of the farm gate chicken price in 1982, it represented 48 per cent of the final cost to the consumer. Now it accounts for only 38 per cent of the cost. Clearly these figures demonstrate that orderly marketing is efficient and contributes to the financial well-being of the Canadian agricultural industry.

Part of the efficiency that we saw here is through the orderly marketing and the ability to move products to market over the full 12 months of the year. That is why this legislation was put in place in the 1966 era.

It served us well and we certainly saw the advantages of it, not just for Ontario or Atlantic Canada.

• (1600)

We saw it for the Canadian Wheat Board. We saw it for the creation of jobs on the prairies. When I consider that it is going to cut this back at a period when our agricultural industry in the prairies perhaps is in a more difficult position that it was in the 1930s, it is unconscionable that we should have cut-backs of this magnitude to a program that has served us so well.

I call on the government at this point to withdraw this legislation and reconsider what it is doing. It has been seven months since the budget and this is the first day that this has been introduced into this House. It has caused pandemonium not only in the transportation industry but in the Canadian and Ontario Wheat Boards which are trying to sell their products not knowing whether or not it applied. It is a piece of legislation that was made retroactive and was followed by a drop in price. It was compounded by another drop in price some six or seven months later when the United States made that huge sale of grain to Russia that was subsidized to the tune of $20.50 a tonne or 56 cents per bushel.

I have to question the wisdom of this move at a time of severe financial difficulty across this country in the rural areas. There are whole communities in western Canada, particularly in Saskatchewan, where businesses are closing because they depend on the agriculture industry. They are the main businesses in those towns and as the agriculture industry faces hardships, those businesses are forced to close as well.

We should be going in the opposite direction. If we are going to compete with our neighbours to the south, the government has an obligation to put the money forward to assist the farmers to move that grain to market. It should not be left to the primary producers to carry this burden. It is an obligation of the government to assist them. It is an obligation of society because a lot of this product is moving into export, and every export dollar earned contributes to our Canadian economy.

In conclusion, I would ask that the government reconsider this legislation. It should reinstate this program and enhance it to a level that would make us competitive with Americans programs which they are utilizing and are using to steal our markets.

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver East, Immigration; the hon. member for Kingston and the Islands, Canada Elections Act; the hon. member for Halifax, Violence Against Women.

Mr. Rod Laporte (Moose Jaw—Lake Centre): The at and east program has been in existence for almost a quarter of a century and in fact has been an important element of the maritime economy. Bill C-26, which will remove the program, means a potential loss of over $27 million to the maritimes and over 250 direct jobs to the economies, primarily of Saint John and Halifax. Not only is it tragic that this program is being removed formally but the way in which the government has handled Bill C-26 reveals a more fundamental principle. The way in which this government has handled the bill displays an arrogance, a conceit and a self-centredness of the PC Party and this government.

Through this bill they have displayed a disrespect for this institution of Parliament. That is simply by the fact that they have implemented this bill, *de facto*, before the bill has actually been debated in this House. The legislation for at and east is found in the Railway Act. It is a program that encourages export shippers of grain and flour to use eastern ports.

This is a program that affects grain and flour somewhat differently. With respect to grain, the program is applicable to export grain that is shipped by rail from points at lake ports on Georgian Bay, Lake Huron, Lake Ontario and the upper St. Lawrence as far as Prescott and if the rail destination is any port on the St. Lawrence from Montreal east as well as the ports of Saint John and Halifax. With respect to flour the program is applicable if

flour is shipped by rail for export from Thunder Bay east, again to the same ports.

This program has evolved so that shippers of grain are charged rates that were in effect in 1960 while flour shippers pay the rate that was in effect in 1966. The difference between those rates and the compensatory rates are paid to the railways by the government.

The hon. minister indicated that the reason for enacting this program was that initially there had been worry about competition from the United States. I can point out to the minister that that is only part of the case. In fact, the Hon. G. W. Pickersgill who was then the Minister of Transport stated when the legislation was under consideration back in the 1960s that it also meant: "To ensure that we will have rates which will provide some inducement and incentive to shippers to use the facilities of Atlantic ports."

In other words, in addition to ensuring that eastern Canadian ports could compete with U.S. ports the at and east rates were also intended to enable the ports of Halifax and Saint John to compete with Montreal and other St. Lawrence River ports. This had the effect of creating and maintaining jobs primarily in the Maritimes. In other words, it was a good regional program.

There is another aspect with respect to the American angle, that is the program offset a geographic advantage that the U.S. has because of shorter hauling distances to ports. With the removal of the at and east, this advantage is gone. There is a real irony here. This government talks so much about creating a level playing field that the term is rapidly becoming a cliche. Yet the government and the PC party seem to have completely forgotten about the level playing field concept with respect to this bill and with respect to regional programs throughout the country.

It may well be that the at and east needs some revision and should be looked at, but by simply cancelling the program the government has forsaken the notion of a level playing field in the maritimes. There seems to have been somewhat of a change of attitude by the government in that it has talked before about creating level playing fields in order to create equality and fairness for Canadians. It is very clear by this and many other examples that this government has no intention of creating equity and fairness or level playing fields for average Canadians at all.

The government's politics are very transparent. It is purely and simply promoting a 19th century *laissez-faire* economy—today it is called neo-conservatism—which is simply a philosophy that will allow the rich to stay rich and in fact become richer by stealing more of this country's wealth.

It is a philosophy that benefits the few at the expense of the majority. It is a philosophy that did not work in the 1800s and a philosophy that does not work today in spite of the fancy packaging that this government employs.

The at and east program has become an important part of the diversification of the maritime economy. Any region of the country that depends on one industry is in a very tenuous situation should that industry fail. Although the fishing industry is not the only industry in the maritimes, it has played a vital role in a viable maritime economy.

We all know that industry is now in a very bad way and although the Prime Minister assures us that there is no crisis in the maritimes, I would suggest to the Prime Minister and to the minister that they are trying to ensure that if in fact the maritimes are not quite over the edge, yet they will provide that little extra push with the passage of this bill.

There is a need to encourage and promote diversification in all regions of this country. That has been a fundamental plank of virtually every federal government since Confederation up until the present one. The Prime Minister and the members of his cabinet today have abandoned this fundamental principle, this basic building block to our nation's economy.

• (1610)

I am from Saskatchewan where we have witnessed and felt the cold, harsh reality of PC politics. We in the west have much in common with folks in the maritimes. In our rural communities we have seen our economic base undermined. We have seen our post offices disappearing. We have seen VIA Rail abruptly removed. We have seen services removed for seniors in communities where they can no longer remain, where they have lived all their lives, as in the maritimes. We have seen unemployment figures rise. We have seen people leaving our region of the country and we have seen the growth of food banks and record numbers of people living below the poverty line. In fact, in Saskatchewan now there are more people

living below the poverty line than anywhere in Canada, except for Newfoundland, and that is with two Tory governments, federal and provincial.

At the same time, we have been forced to listen to a finance minister who tells us that we have had good economic growth for the last few years but now we have to tighten our belts. I would like to tighten something as well. It would not be a belt, it would be a political noose around the political neck of the government. However, I think the government is doing a very good job of tightening its own noose these days.

The minister may want to tighten our belts, but for the maritimes the government is simply shutting the door with this bill. Without a doubt, this bill hits the maritimes very hard. The Atlantic Provinces Transportation Commission has completed several studies into the impact of the at and east.

With all due respect, contrary to the minister's statement that all reports that had come out indicated it was time to remove the at and east, that is not true. The Atlantic Provinces Transportation Commission has in fact issued a number of reports. It has concluded that the at and east has had a significant impact on the ports of Halifax and Saint John.

I would point out to the minister that in 1988 some 338,000 tonnes of export grain and 183,000 tonnes of export flour moved through the port of Halifax. Tonnage for Saint John in 1988 was approximately 246,000 tonnes of export grain and 1,200 tonnes of export flour. This represents approximately 90 per cent of the total tonnage that was moved out of the at and east program in 1988.

It is a maritime program. These figures represent almost all the grain handled at the Saint John elevator and approximately 60 per cent of the volume handled at the elevator at Halifax. Now that the program has been implemented, despite not being passed by Parliament, the elevator at Saint John is now going to be closing because it cannot receive grain by water. It can only receive grain by rail, and nobody is shipping grain by rail to Saint John now that the program is gone. So it is costing jobs.

The loss of this program is going to affect more than grain elevators. Port employment will be affected, railway employment will be affected and there will be negative effects on flour millers, particularly Dover Mills in Halifax. I would like to quote from a report that the Atlantic Provinces Transportation Commission submitted in September 1989. Obviously the minister has not seen it.

In the report it is stated that an analysis by the commission of the regional impact of the program showed that approximately $14.4 million in economic activity will be lost to the region due to the termination of the subsidy. However, should both grain elevators in the region at Halifax and Saint John be unable to continue operations, the negative impact would amount to approximately $27.6 million. These amounts do not include any economic activity generated by the program which occurred outside the Atlantic region such as railway employment, inland elevators, lake vessels, et cetera. It has affected ports in the Ontario region as well.

It goes on to state in the second paragraph on page 3 of this report that the importance of maintaining the Halifax grain elevator as a viable operation is of critical economic importance to the entire Atlantic region. As well as the activity generated by the movement of export grain to the facility, the elevator also plays a vital role in the storage and handling of domestic feed grain and milling wheat.

Local pork, poultry and egg industries and to a lesser extent the beef industries would be seriously affected should the Halifax elevator be unable to remain in operation.

In addition, the Halifax elevator is utilized as the only means of storage for milling wheat by the only Atlantic region flour mill, Dover Flour Mills. If the elevator should close in Halifax, Dover Flour Mills will probably close as well. If the minister does not have all three reports, I will be glad to provide them to her because they are very interesting reading. They provide a good insight into the importance of this program to the maritimes.

The fact that 250 direct jobs will be lost and $27 million will be lost is only one part of it. The secondary impact is going to be just as devastating. I was in the maritimes last fall and had occasion to speak with some farmers in Prince Edward Island. Prince Edward Island has a lot of

family farms. There are good family operations which grow potatoes and hay or raise hogs.

These people indicated to me that they rely on western grains because, although they grow about 80 per cent of the feed grains that they use on the island, they still need the high quality grains which come from the west.

I talked the President of Dover Flour Mills a number of times. He indicated that business has dropped some 20 per cent. In fact, Dover has lost all the competitive markets in the world in the face of the loss of this subsidy and because of the high dollar. Dover Flour Mills is simply left with CIDA projects. Canada is reducing subsidies at the same time that the U.S. is putting on subsidies.

According to the government, the free trade agreement was going to be of benefit to Canada because it would open up agricultural markets for Canadians. Although Americans have been talking of no subsidies in public, certainly officials have been telling me in private—and I am sure the government—that subsidies will remain high and perhaps get even higher.

We have seen the attack that the U.S. has levelled against Canadian agriculture. It used GATT to obtain entrance for its dairy products into Canada. It countervailed and is using harassing tactics to keep Canadians hogs and pork out of the U.S. It is threatening an attack on the use of the Western Grain Transportation Act, that is if this government does not remove it first.

What have we done in response? What did Canada do when George Bush put forward a budget calling for some $900 million for export grain subsidies and attacked our conventional markets? The U.S.S.R. has indicated it is going to buy some 12 million tonnes of grain this year and the United States has announced that it will subsidize up to three million tonnes which go to the U.S.S.R. That is a direct effect on Canada's market. What has this government done? Nothing. The government is monitoring the situation.

What is the possible logic behind this? There is no logic, if you believe in fair opportunities for Canadians in all regions of the country. There is no logic, if you believe in maintaining and promoting viable communities with viable industries in all areas of Canada. In fact, the direction this government is taking is purely and simply counterproductive to a viable, healthy economy.

It is a joke that this is supposed to be a government and a party which has the answers to the economic problems of this country. The government's answers may be beneficial for the Conrad Blacks of the world in assisting them to devour more and more of this country's wealth, but they certainly do nothing for the average Canadian.

In fact, I find it insulting and I am sure many Canadians find it insulting when the finance minister says that we have just come through good times. I think most Canadians will agree that the success of a nation is not measured by how many millionaires we have, how many domed stadiums we possess or how many Canadians can afford to travel to exotic places.

Rather, I believe that most Canadians would measure this country's success by how few homeless we have, how few people we have living below the poverty line and how few people need to use food banks. That is how success ought to be measured. In using this measurement for this government, it is quite clear that the government has failed and it has failed very badly, not for the Conrad Blacks but for average Canadians.

• (1620)

Yet this government is not reluctant to remove some $27 million annually and some 250 direct jobs from the maritimes. The indirect impact, as discussed earlier, will have a much broader impact to all corners of the maritimes. In addition, I have been advised that CP Rail line which goes to Saint John may no longer be viable now that the Saint John elevator is closed and the tonnage will no longer be coming.

Not only will the maritimes suffer, but this bill will have a ripple effect right across the country. Port McNicoll, Ontario, has been shut. In talking with the Canadian Wheat Board the other day they indicated that they used to send some 300,000 tonnes of grain every year through the port of Halifax alone. Now that has been reduced to something like 100,000 tonnes a year, and it may disappear altogether. They have a concern because if the port of Halifax closes—now that the port of Saint John has closed—there will be no ice free ports on the eastern seaboard in Canada. There will be none.

The Canadian Wheat Board has indicated that some purchasers of grain do not want to come into Montreal, even though it is kept open during the year, because of the ice. In fact, Cuba is a good example. Presently Cuba is buying some grain from Canada and is using Halifax port to pick up that grain.

The Canadian Wheat Board has indicated to me that all things being equal, if the Halifax port is no longer there Cuba may go somewhere else. We will be losing grain sales which we can ill afford to lose, which we are losing at a high number right now and as a result of which we are threatened in our traditional markets. We are going to shoot ourselves in the foot by closing these two ports.

The people in the maritimes have long appreciated this program. They have also been concerned about the cost of the program and ensuring that the federal government was receiving its money's worth. In fact, in 1985, as I indicated earlier, the Atlantic Provinces Transportation Commission presented two briefs to this government. It outlined an alternative to the existing program.

Contrary to what the minister says, there have been briefs presented that do not want the program removed. They outline an alternative to the existing program. They did not propose to cancel the program but proposed changes to the program that would cut the cost of the program in half.

They volunteered this in 1985 when the program was costing between $34 million and $40 million. They presented a proposal that would save the government $20 million a year. The government ignored it. There were changes that they said would cut the program in half without eliminating any aspect of the program while maintaining a vital maritime economy. What do you suppose was the government's response to this well thought out proposal? What do you suppose the government said to the Atlantic Provinces Transportation Commission?

I and my fellow colleagues have been reminded numerous times by various ministers of this government's commitment to consultation. I and my colleagues have been told in sometimes not very flattering terms that when we have accused the government of not only not consulting with Canadians but not paying attention to Canadians, this government does consult. They point out that this government is one that pays attention to Canadians' needs, that it defines and develops programs for the benefit of all Canadians. Therefore, I would assume that it would at least take this proposal seriously.

The Atlantic Provinces Transportation Commission is not a fly-by-night group. It is a longstanding, very well respected organization representing a cross section of Atlantic Canada. It presented not just one brief in 1985, but two well documented, well thought out briefs in which it outlined how the government could change the at and east program and save $20 million a year.

What sort of response did it get from this considerate government? It could be summed up in one sentence from the third report that it submitted last September. The APTC, the commission, has never received a response to the proposals from the federal government. It never received a response, not even a peep, not so much as a whisper.

It is not that the government read the report and called representatives in to explain the proposal in detail, that it asked them to make changes, or that it acknowledged that it received the report and would be considering it. They never received a response, not even a thank you letter.

The minister has indicated that there has been no proposal that the At and East program remain. By not repsonding to these well thought out presentations, the government is displaying its arrogance. It is displaying the fact that it has lost touch with the real people of this country. In short, this government is displaying the fact that it simply does not give a damn for anyone or any group that does not agree with this government. It does not matter if you are a potato farmer in P.E.I., it does not matter if you are a lawyer in Halifax or if you are the president of the Atlantic Provinces Transportation Commission.

Not only is this government arrogant to the people of Canada, it has been disrespectful to Parliament, disrespectful because it has already enacted Bill C-26 without the approval of Parliament. That is nothing new, it has already invoked closure 11 times, more times than any other government in the history of this country.

By taking this most unfortunate step the government has almost guaranteed that there would be no changes whatsoever to this bill at any stage. The reason is very

clear that if Parliament should decide not to enact this bill or to enact another bill that would maintain the program, the government may well find that it is liable to the tune of millions of dollars for the way that people have been responding given the *de facto* actions of the Department of Transport.

On May 4, 1989, Transport Canada officials held a meeting with shippers and the railways to advise them that the at and east program rates would terminate effective July 15, 1989, and that on all contracts commencing on July 16 they were to charge compensatory rates.

Parliament has not passed any such legislation. In fact if any interested parties should decide to challenge this decision, I am quite sure now that they would be successful and could force the government to actually follow the law. Fortunately for this government no challenge has come forward.

If it should ever come to pass that Parliament should enact the law that is different than what is proposed in Bill C–26, then we may find that an at and east program still exists. If that should come to pass and certain businesses take this government at its word—which is a mistake—and found that they had relied on false assumptions and as a result have suffered significant losses, I suggest that the Department of Transport would find itself in a severe legal position.

As such the government is, to say the least, going to be extremely reluctant to amend any aspect of this bill. The government will argue that there is a retroactive clause and that Bill C–26 can pass validly. It is not uncommon to have retroactive legislation. These, however, are usual with respect to tax matters which are often made retroactive to budget night in order to prevent avoidance by taxpayers during the period between the budget and the date of the enactment of the law.

It is held, however, that this power to enact retroactive laws must be exercised with appropriate restraint. It is unfortunate that this government is acting with reckless abandon. I would suggest that a distinction can be made between the tax legislation which is by its nature subject to ongoing modification and a situation such as that represented by this bill before the House today. Termination of a longstanding subsidy program is having a serious economic dislocation for the affected areas, namely Saint John and Halifax.

As well, this government has been further inconsiderate of Parliament as an institution by not bringing this matter before Parliament before now. It has been eight months since Bill C–26 was given first reading and seven months since it was enforced *de facto*.

I believe this government has displayed a callous disregard for Parliament. As a result of this action the work of the legislative committee will be very difficult. It could well be that once the alternatives suggested by the commission are looked at and given serious attention, which they obviously have not been given until now, there may well be alternatives forthcoming to this present bill. If the government agrees to these changes it will be difficult to enact them because of the action it has taken to date.

• (1630)

In conclusion, this is a bill that displays the government's lack of commitment for regional development. If the government did consult, if it was considerate, it would be having serious discussions with these groups. It would be having discussions with the Atlantic Provinces Transportation Commission.

There are other groups which it should have consulted in considering its program. There is Dover Flour Mill in Halifax, the port of Saint John, the city of Saint John, the Canadian Feed Industry Association which is going to be affected by this bill, the Halifax grain elevator, the Halifax Port Commission, the Nova Scotia Grains Commission, the Nova Scotia Grain Marketing Board, the Nova Scotia Federation of Agriculture, and the Maritime Farmers Council. They are all very concerned about the loss of this program because it is very likely going to mean the loss of the elevators at Halifax and Saint John.

As the Canadian Wheat Board indicated, the elevator at Halifax, which can receive grain by water, will have difficulty bringing out a shipload of grain because it cannot buy a full allotment at one time. At Halifax the elevator has been buying feed grain and the Canadian Wheat Board has been topping this up in order to get a full shipment out. If the Canadian Wheat Board should decide not to send grain to Halifax that will be the end of the Halifax elevator, it will be finished.

The Dover Flour Mill uses the Halifax elevator as a storage facility for the grain used for its flour. If the elevator closes, the Dover Flour Mill will be unable to take over the Halifax elevator because it would not be economically viable, and mill will close. The Dover Flour Mill is the only flour mill that exists in Atlantic Canada because of this program. It has now been placed in jeopardy.

As well, the ripple effect through the whole agricultural community in the maritimes is devastating, not to mention the dock workers who are employed for the movement of flour, but also the rail crews that are now being eliminated. There are 250 direct jobs and numerous indirect jobs which will be lost.

This bill will rob the maritimes of at least $27 million and 250 jobs directly, not mention the spin-off affect. It is tragic, that this government did not take the time to consult with the people of the maritimes. It is tragic that it did not consider the proposal of the Atlantic Provinces Transportation Commission five years ago. In 1985 it presented an alternative that would save the government $20 million a year, which would have amounted to a $100 million now. It is unfortunate that this government did not consider that report some five years ago.

I call upon the government to stop its actions, to announce that the at and east program will continue and to take a serious look at the commission's reports. It put together not one but three reports. It called for this government to make changes. It volunteered changes to the at and east payments. The commission said that changes should be happening and suggested how it should be done.

This bill makes it very clear that the government has no regard for the average people of this country or the constitution of Parliament. It is a government that has lost touch with the people. There is a good news and a bad news aspect to this whole thing. The goods news is that the people of Canada realize that this is the kind of attitude this government has taken and they are going to toss this government out on its ear. The bad news is that we have to wait two and a half years. The good news is that tonight in the riding of Chambly we are going to start that process by electing our first New Democratic member of Parliament in the history of the province of Quebec.

I call on this government to reconsider its bill. I call on this government to look at the commission's report. I call on this government to take seriously the issues that are of concern to the people of the maritimes, such as economics. I call on this government to look seriously at this bill and to make some real changes to the at and east program so that we can maintain a viable economic situation, so that we can maintain the viable infrastructure that has existed for 25 years in the maritimes.

The Acting Speaker (Mr. Paproski): Under Standing Order 74 the first three speakers had 40 minutes for debate. There were no questions or comments. We are now entering the period when there will be 20 minute speeches with ten minutes for questions and comments. The hon. member for Humber—St. Barbe—Baie Verte.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I want to take this opportunity to rise and comment on Bill C-26, the bill which gives effect to the cancellation of the at and east program announced in the April 27, 1989 budget.

May I echo, as an Atlantic Canadian, the words of those who have spoken before me, at least the two members who come from the opposition side of the House, that indeed the cancellation of this program is yet another blow at the fragile economy of Atlantic Canada. It is a blow that is being delivered at a time when our people and our economy lay shattered from one bad news scenario after another.

We had massive route abandonment on the railways in Atlantic Canada. The loss of the at and east contributes even further to the lack of viability of the railways in Atlantic Canada. Our fishery has been under incredible, heretofore unimagined assault. Individuals, fishing communities and, indeed, the economy indirectly all the way back to the major suppliers at the major centres are reeling under that blow.

We have had a 39 per cent reduction over the last five years of regional development spending in Atlantic Canada, an abandonment of the principle of combating regional disparity. In the agricultural sector, which is perhaps in some respects most fragile in all of Canada in the Atlantic region, we have had the cancellation, completely without consultation, completely without discussing the impact with anybody, of the at and east

program, a program that has been around for approximately 25 years.

A program, yes, with faults, but one that has been very successful in contributing to the orderly marketing and export of grains in the region. Perhaps most frustrating is not that this program was cancelled completely without consultation with anybody in Atlantic Canada, or with anybody in the agricultural community across this country, because it impacts very directly on the farmers of Ontario and western Canada, but the fact that, although notice was given last April 27 of the cancellation of this program, it is only today, February 12, 1990, that the legislation giving effect to that cancellation is before the House.

Most Canadians who are not familiar with the at and east are saying, "Well, at least you had all that notice to get ready for the impact of the loss of that subsidy. At least you had time to contemplate it, time to make your case and time to prepare for the bill going to a legislative committee of Parliament, the Standing Committee of Transport, time for the people of Atlantic Canada to lobby their MPs and ministers of the Crown, time for Atlantic provincial governments to make their case and to come to Ottawa and ensure that their voices were heard". That is what the average Canadian watching these proceedings believes to be the case.

The reality is that Parliament is only today, for the first time, debating the ramifications of this bill and the loss of this program. The fact is that the cuts have already been put in place by the railways, that the impact of the loss of the at and east has been factored into the pricing arrangements of the railways for the last number of months. It is a *fait accomplis*. It has happened.

• (1640)

This Parliament is not even a rubber stamp under this government's administration. This Parliament has become a joke. It is irrelevant. Is it any wonder that people are screaming for a different kind of system, a different kind of Parliament, a Senate where every province is equal, a Senate that has the capability, when rights have been crushed, to veto the actions of the elected Parliament in a substantial and meaningful way.

This system has made a mockery of the notion that the people of Atlantic Canada have democratic rights. We had an announcement in April of 1989, we had immediate implementation, and seven or eight months later we are asked to consider it in Parliament. This Parliament, with its stained glass windows, its rich decoration and its wonderful ornamentation is nothing but a farce in so far as the people of Atlantic Canada are concerned when we have before us a bill for consideration that has already been implemented months ago.

We have not even put it to committee yet. Parliament has not said whether it favours or does not favour the bill. Parliament has not yet said whether this bill ought to be amended, changed substantially or passed exactly as it is. Parliament has made no comment. Yet, the at and east is gone. The new rates for grain have already been implemented and like a crowd of fools, every single one of us, without exception, stands here today and wastes the time and money of the people of Canada.

This Parliament has degenerated into farce under this administration. This bill is the latest example of that contempt for democratic norms being exercised by this government.

You have before you, Mr. Speaker, a question of privilege, a suggestion by a member of this place that the privileges and the rules of this institution have been breached by having this bill come for consideration after the fact.

Mr. Speaker, I respect the position of the Chair. I always, even on those days when I am disappointed with the ruling of the Chair, adhere to that ruling. I submit to you with great respect, Mr. Speaker, that you have before you a question of privilege which we in this party shall support. It is a question of privilege that will not only answer the question of whether or not the government has proceeded properly in bringing us a bill, looking for our approval after the fact, but will determine, in the final analysis, whether the people of Canada should have any respect for this institution whatsoever. It will tell us whether this is nothing but a glorified showcase for partisan points of view on both sides.

It will tell us whether or not, in the last analysis, there is taxation with representation in this land, or whether we have evolved into a presidential style of government where the Prime Minister deigns from time to time to come here and answer a few questions in Question Period. But, otherwise, we have a dictatorial majority government operating with contempt for the views of the

people of Canada and contempt for the properly elected representatives of the people of Canada.

If you listen carefully, Mr. Speaker, you can hear in the silence in this place on occasion when none of us are present, the sound of jackboots.

There is an old saying that Canadians ultimately get the government they deserve. I think Canadians deserve better than this government. Ministers opposite may laugh.

Mr. McDermid: Well, you're being so foolish.

Mr. Tobin: As they drive around in their chauffeured limousines, and as they leave this place and have their coats passed to them and their boots slipped on by their assistants, and as they are carried off to their offices and told: "Yes, minister, no minister", and brought their cup of tea, and as their hats get increasingly too small and require ever larger pieces of felt to cover their brains, they may believe that they have some divine right to rule unimpeded without the difficulties of dealing with parliamentary tradition and without having to listen to the little people of Canada, who from time to time like to comment on what is happening to them. They may believe that but the people of Canada do not believe that and the people of Canada are not going to stand for this dictatorial politburo-like approach to this country.

It is an incredibly sad day. We have in eastern Europe great reform taking place. We have in eastern Europe celebration of the notion of a multi-party state. They are celebrating the possibility of having governments that are accountable to the people whom supposedly they serve. They are celebrating the possibility of governments which actually may be elected by the people they serve. While no less a person than the Prime Minister celebrates, in his deep melodious tones, this great evolution in eastern Europe, here in this Parliament when rights are squandered, ministers opposite laugh.

Ministers opposite would like to say this is exaggeration. But was it not the Speaker of the House of Commons who was forced to rule only a few months ago that advertising conducted by the government saying: "This is your GST, here is what is going to happen, save this ad" was in contempt of Parliament? Did not the Speaker of the House of Commons say that that was contemptuous of Parliament and of the people of Canada? Of course he did.

What is the difference between advertising the GST as being passed before it was considered by this place and not just advertising, but implementing, a cancellation of at and east before we have ever seen the bill? The contempt is equal. For the people of Atlantic Canada the ruling of the Chair is fundamental.

It is not fundamental to whether or not Atlantic Canada is going to be treated properly, not to whether there is a sensitivity to the devastating impact of this bill on the region, indeed on farmers in Ontario as well, but to whether this Canada, this federation of peoples and provinces, this experiment in democracy, this lesson to the world of how a nation should govern itself, is as pristine and as pure we would like to believe it is.

Let the government be put on notice that this bill will get no easy ride in this Parliament or in committee. We, in the Liberal Party of Canada, the Official Opposition, I hope joined by my colleagues in the other opposition party, will do everything in our power to ensure that justice is not only done but is seen to be done and that the people of Canada know we will stop this meltdown of our democratic institutions by the government opposite.

What has happened as a result of this bill? First, there was no consultation with the region or with agricultural organizations right across Canada. None whatsoever. What has happened? The Atlantic Provinces Transportation Commission recommended changes to the bill, as was pointed out by the member for Moose Jaw—Lake Centre. It made recommendations as to how the at and east could save up to 50 per cent of the cost of the program and got absolutely no response from these great believers in democracy opposite. Nothing but the sound of silence followed the recommendation and representations of the business community as represented by the Atlantic Provinces Transportation Commission in Atlantic Canada. What a singular act of contempt to not even bother to write back and say: "No or yes, bad idea or good idea". There was absolutely nothing. What has happened?

Mr. McDermid: He's choking on his own words.

Mr. Tobin: No, I'm not choking on my own words, I'm choking at the spectacle of the minister opposite sitting there with a sly grin on his face assuming that the pain, passion, frustration and anger of the people of Atlantic Canada is nothing but a joke on a Monday afternoon.

Mr. McDermid: Point of order, Mr. Speaker.

Mr. Tobin: He has come awake, Mr. Speaker. He has risen from his slumber.

Mr. McDermid: I am sure the hon. member would not want to impugn motives. The minister was not smirking or smiling or making any gestures at the time. The hon. member has the habit of, shall I say, expanding on some of his comments in the House of Commons. All I ask is for him to be fair and honest. He knows full well that the minister at whom he was pointing and the other ministers in this House were not smiling or smirking at anything that was going on in Atlantic Canada. He knows that and I ask him to be fair and honest in his debate in this House.

• (1650)

Mr. Tobin: Mr. Speaker, for a good part of my speech the hon. minister opposite more resembled a jackal than a member of Parliament, in terms of his response to what I was saying. In the interest of being fair, it is passing strange that the minister, because he is here, has the right to stand, defend himself, and put forward another point of view, but the people of Atlantic Canada, whose representations were not even acknowledged let alone responded to, are at home today having still not received a response from this minister's government to their proposals which are now four years old. This goes back to 1985. They received not a word, Mr. Speaker.

It is not the people of Atlantic Canada who are ignored, it is not the 250 workers who are going to be laid off, it is not the grain elevator lost in Saint John, it is not the grain elevator that is now closing down in Georgian Bay, Ontario, it is not the loss of a fragile agricultural community that is offended; it is the minister opposite who is offended. He has been terribly offended. How dare we, in the name of democracy and the people of Atlantic Canada, toss insults his way.

What kind of priority does this government have? One lays out the case and states the facts, which the minister has not denied. But the minister does not get up and say: "I have news for you, we are going to consult", or "I have news for you, we are going to withdraw this bill because the process was not right", or "I have news for you, I agree it is a contempt of Parliament to implement the bill before it was even introduced. We are going to do something. I am on my way to Atlantic Canada. I have arranged meetings. I have booked the airplane". He gets up and says, "I want the member to be fair and not say nasty things about me". Well, I have to tell the minister opposite that in the list of people for whom I have compassion, the minister is very close to the bottom.

Some hon. members: Oh, oh!

Mr. Tobin: Now they are waking up, now they are coming alive, now they are pretending they are members of Parliament and not trained seals.

What has happened as a consequence of this government's bill? What has the government done? We now have the Atlantic Provinces Transportation Commission making recommendations. It is saying that it has accepted that the government is not going to talk to it. It has accepted that the government is not going to listen to it. It has accepted that the government is not going to withdraw the bill and it has accepted that the government, like a bull in a china shop, is going to destroy everything in its wake. It asks that the government now at least consider proposals it has made to be implemented after the fact.

What are those proposals? The minister is shaking his hand at me. He has his finger out and is pointing it. He is gritting his teeth. Is there something you want to say?

Mr. Belsher: He's not doing any of that.

Mr. Tobin: He certainly was doing that. If the member opposite was not asleep he would have seen it. If the minister wants to get to his feet and say something, I will cede my time.

Mr. Andre: You're such a fool, Tobin. Quit embarrassing yourself. You're embarrassing yourself and this chamber.

Mr. Tobin: Oh, Mr. Speaker, we have that other great friend of Atlantic Canada, the minister of postal closings, now joining the fray. The minister for privatization and postal closings has just come awake.

Mr. Speaker, what recommendations have been made by the Atlantic Provinces Transportation Commission? It recommended the use of unit trains from Thunder Bay or direct from prairie origins to move export grain to both Saint John and Halifax. It has asked that the government permit the use of water transport to Halifax and Saint John for Plan C feed grain.

Now get this, Mr. Speaker, the Atlantic Provinces Transportation Commission has asked for the elimination of the countervail duty on U.S. corn. Canada has imposed countervail on U.S. corn coming into Canada because that corn is subsidized and we have said that if it is subsidized we are going to put a countervail on it. One result of the actions of this government is there is now an agency in Atlantic Canada lobbying the Government of Canada to take a countervail off U.S. corn, putting our own farmers at a disadvantage as a result, because they are desperate to survive, given the cancellation of the at and east.

What else have they been forced to ask for? They have asked for the provision of permits allowing the importation of feed grains from foreign countries. Atlantic Canadians have been forced, number one, to ask their government to take the countervail off U.S. corn coming into Canada. That is sad, because the at and east is gone. Second, Atlantic Canadians are now asking their government to allow the import of foreign grains into Canada. The government has made the possibility of continuing to be served in Atlantic Canada by Quebec and Ontario so uneconomic, so enviable that we now want to put Canadian farmers out of business by importing foreign grain.

Is that what we want in this country? That is not what we want in Atlantic Canada. Atlantic Canada wants to remain a part of this country and wants to continue to do business with the farmers of Quebec and Ontario. It does not want to lobby for countervail being removed from U.S. products and does not want to import products from outside this country when we can get them right here. When you take a region and cut it off at the knees, when you eliminate a subsidy that makes business possible between Quebec and Ontario, and Atlantic Canada, you cannot expect people to lie down and play dead. You actually force them to ask for measures that are not in the best interests in the long term of Canada.

I ask this government, for all the reasons I have mentioned, to reconsider this bill, to reconsider the impact on the region and, indeed, on farmers in Quebec and Ontario. I ask this government to withdraw the bill, to have a proper consultation process. I serve notice that failure to do that will meet with an extremely rough ride for this piece of legislation in the appropriate legislative committee, in this case the Standing Committee on Transport.

Mr. Hovdebo: Mr. Speaker, I must say that I agree entirely with the position taken by the member from Newfoundland. Talk about kicking a victim when it is down. In relation to the real impact of this change, I wonder if the member would comment on the two or three areas he mentioned that are really going to be impacted by the imposition of this change in the at and east rates, and also on the effect of it, not only on the elevators and the flour mills but on other parts of the maritimes as well as the west and Ontario.

Mr. Tobin: Mr. Speaker, I thank the member for his question. I think we could remind ourselves of the stated purpose of this bill when it was introduced by the Hon. Jack Pickersgill, then a Newfoundland member of Parliament, in 1966. He said that the purpose of the at and east was to ensure that eastern Canadian ports could compete with U.S. ports, to enable the ports of Halifax and Saint John to compete with Montreal and other St. Lawrence River ports and to provide for the orderly marketing of grain.

Mr. McDermid: It's a subsidy.

Mr. Tobin: The minister opposite says that it is a subsidy as though "subsidy" were a dirty word.

The reality is that in addition to the loss of the elevator at Saint John, which has already been announced, and the loss of the elevator on Georgian Bay at Port McNicoll, it has called into question the continued viability of the elevator and flour mill at Halifax. By extension, it probably will result in increased input costs for farmers in the Atlantic region who, in many instances, are completely on the edge of viability. Farmers who, with any substantial increase whatsoever, are going to be out of business. Hence the ability of the Atlantic region, in some measure, to maintain an agricultural industry and to feed itself.

Another impact that I am sure is not unknown to the government is that with the loss of the at and east subsidy and subsequent loss of business, it is not only probable but likely that we are going to see additional pressure brought to bear by CN and by CP, but primarily by CN, for additional rail line abandonment in Atlantic Canada. With the exception of a couple of runs we have totally lost the VIA Rail traffic. Over the years we have seen the loss of many of the CN freight routes. Newfoundland and P.E.I. are gone entirely. CN has indicated that it wants to abandon more routes.

• (1700)

The loss of the subsidy will increase pressure in that regard as well. Fundamentally the transportation infrastructure of the region, which is sparsely populated but relatively large, is being torn away. Frankly we all know the backbone of any economy, in particular a rural economy, has got to be good transportation infrastructure. That is being destroyed, and this bill contributes significantly to that destruction.

Mr. Ferguson: Mr. Speaker, I want to ask my colleague if he has looked at the principle behind this particular bill as being closely related to the Western Grain Transportation Act. Of course in a country as huge, beautiful and diverse as what we have here, the corollary is the huge transportation and shipping costs. Ever since Confederation, and even before that, we have always worked as Canadians to build this country from east to west and to bring in programs that would make one section available to another section. In this case it is to make western grain available to eastern Canada.

I wonder if he sees this particular bill as another move by this administration toward a north–south relationship and to cut Atlantic Canada adrift from the rest of Canada and make it rely on imported grain from the United States or other countries.

Mr. Tobin: Mr. Speaker, I think the hon. member for Lambton—Middlesex said it very well. The fact of the matter is that we have had the movement of western and central Canadian grain into Atlantic Canada. From the west Ontario is the east, but from where I live Ontario is the centre. The loss of the at and east is going to cause that movement to subside substantially.

I do not blame the organization in question. However, I think it is sad when the Atlantic Provinces Transportation Commission is reduced to petitioning the Government of Canada to remove a countervail that properly has been placed against U.S. corn. It is being done not because there is any desire to replace U.S. corn with Canadian corn, but because the underpinnings, the infrastructure in the region, has been stripped away by this government and the region is desperate.

It is equally sad when the commission, seeing the ability to move western grain into eastern ports being destroyed, is forced to ask the Government of Canada to allow the import of foreign grains over Canadian grains, thus displacing Canadian farmers. It is not done out of any lack of loyalty to the country or out of any lack of desire to continue the trade and commerce between the regions. It is done because there is no choice. Of course we are seeing powerful forces working to increase the north–south pull in the Atlantic regions. There are powerful forces at work in eliminating the east–south trade in the Atlantic region. That cannot be good for national unity.

When we have one region of the country as a consequence of the policy of the government being forced to petition the Government of Canada to remove a countervail on U.S. corn, at a time when another region of the country, in this case Ontario farmers, have successfully made a case for that countervail in the first place, then government policies are not contributing to national unity. They are contributing to a set of circumstances which are eating away at the glue that holds the country together and rending the fabric that holds this country together.

What is tragic is that those policies and the effect of those policies are probably not even by design. They are by accident. The government has no idea what it is doing, beyond being concerned about the bottom line and saving, relatively speaking, a pittance. Beyond the bottom line there is no understanding of what the consequences are for Canada and what the impact is on the notion that we live in one country and that we share trade, develop common values, and find ways to bind us together.

This bill contributes toward the destruction of national unity in this country.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to join in the debate this afternoon on Bill C-26, an act to amend the Railway Act, which really boils down to the destruction of the at and east rail freight rate program.

The members who have spoken before me have outlined some of the problems with this bill, especially with respect to how it impacts on the farmers in Atlantic Canada, on grain elevators in the Georgian Bay ports, and so on.

We have to look at this bill in terms of what the government is doing, that is doing away with unilaterally support programs for agriculture in Canada. That is the genesis of the bill.

The bill really results from a budget last spring which essentially said "we are going to cut government support programs to agriculture". We did not know at that time how devastating those cuts would be because it seemed like the government was talking about $500 million over the next two years. In fact it is much more than that if we count the Western Grain Stabilization Act and the Special Canadian Grains Program, which are needed just as desperately today as they were in the past two or three years. We see that the government is really withdrawing from agriculture to the tune of some $2.5 billion.

This bill before us today is part of that act of withdrawing some $500 million. The actual cost of the support program for grain and flour transportation under the at and east is some $60 million.

If we look at our competition, the people with whom we compete in the world, we see the United States increasing its support programs for transportation, loan rates for grains and so on, but most of all support programs for exports. Some $900 million will be provided in support programs to take away markets from Canadian producers in Russia, China, the Middle East, Africa and so on. The United States is continuing to wage war on Canadian agricultural producers. This support program is only one small part of that withdrawal by the government, but it is certainly important to our producers. It is extremely important to Atlantic farmers and to the Atlantic economy.

This is at a time when the Atlantic economy is being slaughtered not only by government programs but by the government's maintenance of the fishery. We see nightly on television those programs being withdrawn. We see whole communities being destroyed. If we look at the response of groups like the Atlantic farm organizations, we see that they are certainly not pleased with this action by the government.

As I said, this measure involves only some $60 million, but it is a very important support program. It is part of that $500 million that was withdrawn which involves crop insurance, $200 million; the rail branch line rehabilitation program, $48 million; grain and crop advance payment program, for which we fought hard in the House last fall; the dairy export program; the commodity based loan program; the Canadian Dairy Commission program; and the rebate on fuel tax for agriculture amounting to $500 million over the next two years.

We keep hearing that the incoming budget is to be even more Draconian than the one we have seen so far.

• (1710)

After I read this in the budget I had an opportunity to hear representations from the Maritime Farmers Council. The council wrote a letter to me in June of this year in which it estimates that the additional cost for livestock and poultry milling wheat will be some $9,120,000 or $21 per tonne for the 400,000 tonnes of prairie grain and Ontario corn which is imported into the Atlantic region each year.

I wrote to the Minister of Agriculture to ask him to withdraw this action in view of the very adverse impact it would have on Canadian agriculture, especially in Atlantic Canada. It was very interesting that the minister took several months to reply. When he did he simply said that the program was not necessary any longer and that it no longer serves its original purpose. Thus the decision was made to conclude it as of July 15. Several members have already argued strenuously that that is a unilateral decision. The legislation is there. The government has no authority to withdraw its legislation on the books. It should not be withdrawn.

Interestingly enough, I wrote back to the minister and said clearly that one of the original purposes of the program was to assist Atlantic farmers in having a more realistic price for their livestock feeds. The minister wrote back and said he recognized that the maintenance of water transportation of feed grain in the Atlantic region was crucial and that the Minister of State for Grains and Oilseeds would be announcing measures to

that effect in the near future. That was in a letter from the Minister of Agriculture on December 13.

I wrote immediately to the Minister of State for Grains and Oilseeds to see what he was going to be announcing to assist these producers in Atlantic Canada. So far we have heard nothing. One begins to wonder whether there is anything there. Clearly there does not seem to be any action by the government to support Atlantic agriculture even though the maritime farmers group has outlined the extremely adverse impact that the removal of this support program would have on their industry.

We only have to look from there to the figures that point out the economic impact of the removal of the at and east program. A statement provided to members gives an outline of what the impact will be at the Halifax and Saint John elevators. In the grain elevators and flour mill the impact in dollars is some $5,446,000. This includes the wages and benefits paid to elevator employees in Saint John and Halifax, local goods and services purchased by elevators, and the capital cost of storage facilities of the flour mill.

It is my understanding that already the Saint John elevator has signalled its closure. One wonders whether Halifax can be far behind.

With regard to additional costs of livestock and poultry feed, I have already mentioned that the impact of that is outlined by the farm groups in Atlantic Canada at some $9.12 million. That is a major new cost to those producers. The minister has said: "We are going to announce some program to compensate for that". He has turned that over to the Minister of State for Grains and Oilseeds and so far there has been no announcement in that regard. Not only do we see a reduced economic impact in Atlantic Canada, but we see hardship for the agricultural producers there.

The third item is the economic impact of this bill. As outlined, it is on the estimated cost of ports and railways. Based on the data supplied by Ports Canada for wages of longshoremen, train crews, switching crews, freight handlers and ports costs, it is estimated that those costs will be $13,084,000. This is an area that has not only been hard pressed by cut-backs in fishing quotas but also cut-backs in VIA Rail and the removal of Department of National Defence installations. The total economic impact of this support program is some $27 million, which is an estimate by the Atlantic Provinces Transportation Commission.

We see a Draconian measure here that not only has an extremely adverse impact on agriculture in Atlantic Canada but on the general economy in the port cities of Saint John and Halifax.

This is a general withdrawal by the government of its support programs. I do not think there has ever been a time in our history when agriculture has faced such dismal prospects in terms of net farm income or uncertainty due to the government's actions.

If we look at the net farm income for the prairie provinces, we see that next year Saskatchewan faces a negative net farm income of some $9 million, down from over $1 billion in this past year. The government, in its Green Paper on agriculture, has said that its policy is to remove support programs. We have seen this in the budget. This measure is part of the program to open up markets and to destroy marketing boards.

Interestingly enough, the government talks about regional sensitivity. Nothing could be further from the truth. If we destroy marketing boards, as is certainly in the cards judging by the way the government is moving, the dairy and poultry industries in Atlantic Canada will surely be destroyed. The same is true if we take away support programs like the at and east rate which is so helpful in terms of transportation.

This bill is part of an over-all scheme of the government as outlined in its Green Paper, which will be extremely harmful to all parts of the country.

Today in the House the Minister of Agriculture was talking about what action he would take under the free trade deal. Clearly the relationship with the United States, our largest trading partner in agriculture, has never been in such a deplorable state. We have the Secretary of Agriculture, Mr. Yeutter, providing some $900 million in the export enhancement program to steal away markets from Canadian agricultural wheat and grain producers in western Canada. He is providing subsidies of $20 a tonne and more to those markets in China and Russia which are our traditional customers.

If we look at Article 701.4 of the free trade deal we see that it states:

> Each Party shall take into account the export interests of the other Party in the use of any export subsidy on any agricultural goods exported to third countries, recognizing that such subsidies may have prejudicial effects on the export interests of the other Party.

That is what I am talking about.

• (1720)

The U.S. is putting in place a $900 million export subsidy program while we are removing support programs for our industry. What could be more absurd than the actions we see? Clearly the government is unilaterally pulling away the underpinning, the support programs, while at the same time the Americans are dramatically reinforcing and increasing their programs over the next seven years to the tune of almost a billion dollars.

We do not only have to look at the grain industry which includes wheat, barley and other grain commodities for which our markets are being raided by the United States. Let us look at the arrangement we have seen in the pork countervail case of last September. The Prime Minister promised that the United States countervail law, the dumping duty law, could not apply to Canada, period. Nothing could be further from the truth.

Last September the United States imposed a countervail duty which in 15 months' time could be increased dramatically from 8 cents a kilo to two or three times that as a result of our support programs in Canada. We see an industry which is in very severe decline because of the threat of that countervail. The Prime Minister's promise that the United States trade law could not apply to Canada, period, is really hollow to those producers.

In the Green Paper the minister talks about regional sensitivity and about maintaining a viable agricultural industry in Atlantic Canada. If the decision on ice cream and yogurt brought down by the GATT panel last November and accepted by this government is implemented at the end of the GATT negotiations this year, clearly our whole market for processed dairy products—some 60 per cent of our entire production—will be open to imports from the United States. This will have a very adverse negative impact on regional agriculture, especially in Ontario and Quebec but just as much in Atlantic Canada.

The Minister of Agriculture in a speech he made last week complained about harassment by the United States of our beef industry and our exports to the United States. The U.S. government has dramatically increased the number of inspections of our exports. He talked about increasing the inspection fees in the U.S. from $100 to $700.

The free trade deal was supposed to solve the problems caused by non-tariff barriers, export enhancement subsidies, and pork countervail. It was supposed to preserve supply management and marketing boards. Clearly none of that has happened.

Our trade problems in agriculture have increased dramatically. The United States is demanding total access to our markets, for example in the area of ice cream and yogurt, markets to which it has not had access before because of tariffs. Those tariffs are coming off. At the same time the U.S. is restricting access to its markets, whether it is in pork, beef or whatever.

We have a government that is unilaterally cutting its own throat, cutting the throat of agriculture in Canada, by reducing support programs while at the same time the United States is dramatically increasing its support programs. It is little wonder that agriculture in this country is facing the greatest uncertainty that it ever has in the past.

The government has fumbled the ball in the free trade deal. Everything is falling apart under that arrangement—the marketing boards, the countervails on pork and the export subsidies on grain by the U.S. The bill before us tonight is part of a decline in support for agriculture at a time when the industry desperately needs the support. While we are cutting back unilaterally the United States and other countries are maintaining their full force in support of agriculture.

The disturbing part is that this comes at an adverse time both for our exporters and for Atlantic Canada. While they are facing perhaps one of the worst economic crises in their history, the government is withdrawing its support not only in economic terms for the grain industry and flour industry in Saint John and Halifax but as well for the agricultural producers.

We are opposed to this legislation. We intend to oppose it in every way possible. It is unilateral action which is not being matched by our trading partners, by the United States, even though we have signed a free trade deal which is supposed to guarantee that we will

co-operate. We are co-operating. We are unilaterally removing support programs while at the same time the U.S. is increasing its support programs to take away world markets and to support its own producers.

Mr. Hovdebo: Mr. Speaker, the at and east rate is relative to the freight rates to some extent from Boston east. It was brought in, in 1959, to make sure that grains used by the flour industry, and to some extent by the people involved in the movement of flour, and the poultry and hog industry as well, be bought through Canadians instead of Americans.

The reason given by the minister today for bringing in this bill was that this was no longer a problem. However, one of the suggestions of the Atlantic Provinces Transport Commission was that it buy grain from the U.S., if the countervail were taken off corn, or from Europe because it was cheaper to ship it from there.

I would like the member to comment on whether or not this is really any different from the original need, which was to get the eastern provinces to buy Ontario and western grain for their needs.

Mr. Foster: Mr. Speaker, I want to thank the hon. member for Saskatoon—Humboldt. Clearly, as he mentioned, this support program is very important to Atlantic Canada. The Maritime Farmers Council has suggested that the additional costs to Atlantic Canada will be some $21 per tonne for some 400 tonnes of prairie grains and Ontario corn.

• (1730)

As I mentioned, the Minister of Agriculture admitted in a letter to me dated December 13 that this would increase the cost of grains to Atlantic Canada. He said that the maintenance of the Halifax elevator is part of a broader set of issues related to the feed cost problem in Atlantic Canada.

In the current federal-provincial agriculture policy review, the Atlantic livestock producers will have the opportunity to bring forward ideas to help improve the viability of their industry. In the interim, I recognize that the maintenance of water transportation of feed grain in the Atlantic region is crucial and the minister will be announcing a measure to that effect in the near future. That letter was written December 13.

I wrote to the Minister of State for Grains and Oilseeds immediately. So far there has been no indication. If the Minister of State for Transportation was suggesting that this was no longer necessary, she should check with the Minister of Agriculture because he says that it is necessary, that there is some program coming forward.

It seems to me when this budget statement came out last April that Atlantic Canada and the producers indicated that they were facing a $21 per tonne increase in the cost of feed. Almost a year later the government still has not responded as to what support will be provided.

The Hon. Member for Saskatoon—Humboldt has raised an important question. If the government does not come through with whatever this new program will be, we could face the situation in Atlantic Canada of using American grains or off-shore grains to provide feed for the Atlantic Canada livestock producers rather than use our own grain from Ontario and western Canada ports.

The government does not have its act together. It is just like the way the Prime Minister negotiated the free trade deal where essentially you give everything away and then you trumpet what a great deal you got. If people do not believe you, you spend a few million dollars telling everybody what a great deal you got.

That seems to be what is happening. We are moving a support program which makes our industry in Atlantic Canada less competitive and, while the Americans are increasing their export enhancement program by some $900 million, the Secretary of Agriculture is saying that that is only the beginning. He will put more in if necessary.

Mr. Laporte: Mr. Speaker, we have a need for regional development in this country. It has been a history of past federal governments since Confederation to promote regional development. In the past few years we have seen some real difficulties. Certainly from Saskatchewan's point of view, we have seen programs suffer and unemployment go up. In fact, Saskatchewan now has the second highest number of people living below the poverty line, second only to Newfoundland.

I would like to ask the hon. member his thoughts with respect to the maritimes and the need for regional diversification. The fishing industry is suffering in that area of the country and there is a need to maintain a viable agricultural community. I would like to ask the

member what his thoughts are with respect to the need to maintain regional diversification, not only in the maritimes but throughout the country.

Mr. Foster: Mr. Speaker, I think that is extremely important. If free market forces solve regional development problems in this country, they would have been solved already. Clearly they cannot be solved by free market forces. They have not been solved in the last 120 years and they will not be solved, in my opinion, in that way. That is why I believe that the minister's green paper on the future of agriculture is really unbelievable. He says that we are going to remove support programs unilaterally. Whether or not the Americans or other countries do, we are going to become market sensitive and open our markets even though the Americans are closing their markets to most of our commodities. When you do those two things, you destroy marketing boards.

If you go to Atlantic Canada and look at the agriculture there, because of marketing boards and the system of support programs, they have a viable agriculture industry, whether in the production of potatoes, dairy and poultry products or processed foods in New Brunswick and Nova Scotia.

During the free trade debate there were hearings in Fredericton, New Brunswick. If you want to see what free trade will do for Atlantic Canada and New Brunswick, walk over to the state of Maine. They have had free trade with the rest of the United States for the last 50 or 100 years. The dairy and poultry industry and other industries hardly exist there because there is no system to encourage them to produce and be viable.

I think one of the most important tools of regional development in at least three and to some extent the fourth Atlantic province is maintaining a viable agriculture industry. The first two tenets of the Minister of Agriculture's policy remove support programs unilaterally, whether our trading partners do or not and throw markets wide open to imports which will destroy marketing boards. This will destroy much of the regional economy in Canada which is doing quite well because of the systems of marketing we have. They are superior to what they are doing in Maine and in most of the northern tier of the United States.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, this is not the first time I have had to speak on transportation programs such as the at and east rate for various regions in Canada. History tells us that the reason it is called the at and east rate is that it is based on what the American railroads were doing from Buffalo east to the Atlantic coast ports in the United States. Hence their name "at and east", the ports from Lake Huron, Georgian Bay, the upper and lower St. Lawrence and the Atlantic provinces.

Mr. Speaker, I want to submit to you, Sir, and I hope you will raise this matter in consultations that will go on, that this should not be dealt with in this House until the Speaker of the House of Commons and the National Transportation Agency have ruled on the action of the government. This would be a ruling by the Chair. The action of the railways should be the subject of a ruling of the National Transportation Agency, before which there is now an application on the implementation of the Railway Act.

Since last summer, the government has disobeyed the law of the land. The railways have ceased collecting and the railroads have been charging those who formerly got the benefits of the at and east rates, that is the full commercial rate in violation of the Railway Act. The government has ordered the railroads to do that. The government has not put up a single nickel since last summer. The legislation has not passed second reading, let alone receive Royal Assent. If there was ever a travesty of the parliamentary and democratic process, this is another one.

• (1740)

The Chair ruled recently about government advertising of legislation that had not passed Parliament. That was to spend money. This time the government is breaking the law of the land to save some money at the expense of western grain producers, the Atlantic provinces and Great Lakes ports. In my opinion, there can be no doubt the Chair must rule that the government must cease and desist in implementing what this bill requires before it becomes an act of Parliament. If we have to take the National Transportation Agency to court for not implementing the Railway Act, so be it. We will see this government in court because it is that serious.

I hope, Sir, that you will ask your colleagues, the Clerk and Clerk Assistants, to take this into consideration. I have been here for the same length of time as you have, Mr. Speaker, quite a while, and I do not recall the government implementing a law before it has been passed by Parliament. No money has been paid under the at and east rates since last summer. The government has become a little worried about it and has requested the railroads to keep track of it all, just in case it is found to be like a sick bird, illegal.

I know, Mr. Speaker, you would like to bring in a substitute but I wanted to get that word in to you before you did.

My final point on this is that the government in fact has advertised this legislation by ordering it to be carried out before it was passed.

Another point I want to make is that the bill is wrong in principle because it flies in the face of what this country has done since before 1867. Our forefathers took into account the whole settlement of the nation. They took into account our geography, our climate and where our people were located and where they produced and processed their goods. That is why there was the Crow's Nest Pass agreement of 1897.

That is why there were subsequently programs such as the bridge rates to get goods across northern Ontario where, at that time, there were very few people living. The trains did not need to stop and start up very often. There was no St. Lawrence Seaway. Subsequently, there was the Atlantic Region Freight Assistance Act, the Maritime Freight Rates Act, and the at and east rates which are now almost one-quarter of a century old. All of these programs should be looked at every five years or so and assessed as to how well they are doing and what improvements might be made. Nobody is suggesting they are perfect. The problem is, whenever a government says it is time to review something, it sure as heck does not review it to improve it. It reviews it to get rid of it and the government does not consult with the people who depend on that program.

Another reason for these programs was to protect ourselves from what the Americans were doing, then and now. Halifax and Saint John are two of the very few ice-free ports that we have. I guess one could add a couple or three more such as Vancouver, Prince Rupert and New Westminster. We could add Saint John, but they took away the railroad. You do not truck grain that far for export, milling wheat or flour. You cannot count Saint John. So Halifax and Saint John are the only two that are ice-free.

The Americans will be increasing the Export Enhancement Program from approximately $530 million to $900 million in their next budget. What does the government do to protect Canadians in a region of Canada that has already suffered too much? It cancelled one of the few remaining programs they have. It means something to the ports of Halifax and Saint John, to the feed grain producers in Nova Scotia and New Brunswick, and to the milling industry in Halifax and Ontario.

We used to have half a dozen or more flour mills in the prairie provinces and we have lost all but one or two of them. We should be processing our production right where we produce it. We send it away because of some misbegotten principle that an end product costs more to move than a bulk product. I have never believed that even from my first days on the railroad and neither did my father before me.

I remember receiving a cabinet document in a plain brown envelope in 1981. I had a press conference in Regina and one here in Ottawa. This document outlined a long term policy. That was under a Liberal government, but it outlined the long-term policy that over a number of years, the government would get out from under every single transportation assistance program. It has continued in progression ever since then.

When we were in the Atlantic provinces dealing with deregulation and some of my colleagues were there dealing with the free trade deal, and when we held hearings on the Crow rate debate in 1982 and 1983, we warned the people of the Atlantic provinces. I am sad to say, too many of them did not believe us. They believe us now.

I am not going to fault members of the Official Opposition because most of them were not here. When Otto Lang made his famous speeches in 1974 and 1975 that it was time to review the Crowsnest Pass rates, and all the other transportation programs, you sure as hell could bet on it, he was not going to review them up. So I am not faulting my colleagues in the present Official Opposition. Most of them were not here. I think they

have repented the sins of their predecessors and have learned better.

What staggers me are the Conservatives who were present then and fought along with us as the Official Opposition, bitterly, tough and hard. It did not matter whether it was the Crow rate or branch line abandonment. They fought along with us as hard as they could.

• (1750)

I suppose one of the saddest experiences I have ever gone through in the House of Commons is seeing the Hon. Deputy Prime Minister and Minister of Agriculture. He and I sat together hour after hour, week after week, and year after year fighting together against what he and his government are doing now. He is a good friend and another member of the class of 1968. I say to myself in sadness and sorrow: "Where the hell is he now?"

There is more to this than the government saving an average of $32 million a year. That is what the average cost of the at and east rates has been. It has to do with our whole nationhood. It has to do with the west and it has to do with the Atlantic provinces. When one of us gets hurt, all the rest of us get hurt either then or later. It has happened *ad nauseam* over the last 20 years. To rebuild the economy in the Atlantic provinces and on the prairies, we have to keep the present programs, improve them and enlarge them. The principle is that the nation as a whole shares in the cost of our nationhood. We do not victimize one province or one region because we have to reduce the budget and the deficit.

We will oppose this bill in principle because it has no principles. It flies in the face of the principles of our nation and our history. The government thinks it is going to save $32 million a year. What it will cost in unemployment insurance, severance pay and a host of other things for the 500 or 600 people who are employed directly or indirectly in Halifax and Saint John, plus the cost to the railroads, intermediate ports and terminals—Midland, Ontario, for example—western grain producers and how much more it will cost the Canadian Wheat Board to export our milling grain and flour will be more, much more than $32 million. It is a false economy and it hurts Canadians. It hurts Canadians in the areas who have already been hurt too much.

The Crow's Nest Pass and bridge rates are gone. The government has been niggling away at the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act. We have lost more than 3,000 miles of branch-lines and now it is hitting Quebec, Ontario and the Atlantic provinces. Two provinces, Newfoundland and P.E.I., will have no railroad at all. We lost the two-price wheat. We lost interest-free cash advances. And the government brags about how much it has done for agriculture. With friends like that, I wish they would go away.

There used to be a three-way deal. The Soviet Union would sign a contract for one, two or three million tonnes of Canadian grain. It was assisting Cuba. It asked Canada to mill a certain portion of that grain into flour and ship it to Cuba. The Cubans, who did not have dollars or roubles, sent the equivalent value in sugar and rum to the Soviet Union. The Soviet Union paid us in cash. It worked for several years as a beautiful three-way deal. Dover Flour Mills in Halifax milled a lot of that flour. A lot of it was milled in mills in Ontario and in Montreal. We even shipped some from Saskatoon. That is gone. It is down the drain.

Then one hears about the additional subsidy and export enhancement which will bring the American subsidy up to as much as $30 a tonne depending on the kind and quality of grain. One hears about people in Atlantic Canada saying in desperation that it would be cheaper for us to import seed grain from Europe. My God, what are we doing? We are debating the same nonsense we started with the unlamented Otto Lang, only these guys are doing it in spades.

There is the other problem called harmonization. The government is so desperate to make sure that the United States is happy with us under the free trade agreement that we do not want to hurt their feelings. It considers the Canadian Wheat Board, the at and east rates, and our standards on plywood to be unfair. As a result this government is bringing in legislation and regulations, not to benefit Canada, but to bring us into line with the wishes of the United States government and United States Congress. There can be no doubt about that.

It used to be a firing-squad offence things for traitorous behaviour and for cowardice in the face of the enemy. In this case they talk about the economic enemy and, for that matter, a social enemy. In other ways they are good friends. The Americans are angry at us for one of the rare occasions we put a countervail on U.S. corn.

It is coming into Ontario mainly, and a little into Quebec, at outrageously subsidized prices and they are complaining.

I urge the Chair to say this bill cannot be dealt with until the government enforces the law this bill is trying to change. One cannot make the law and a bill like this retroactive. It is rare when that happens and budget bills are among the few in which it does happen. We also have to wait until the National Transportation Agency rules on their jurisdiction being usurped, preventing them from implementing the Railway Act, enforcing the Railway Act on both Canadian railways.

Mr. Hovdebo: Mr. Speaker, back in the early 1970s and the late 1960s a group of farmers and transportation people took the government department to court regarding the temporary reserves act and won that particular case. Would the Hon. Member for Regina—Lumsden, who was in the House at that time, comment on the circumstances under which that case was brought to court and what happened.

• (1800)

Mr. Benjamin: I am glad my colleague for Saskatoon—Humboldt reminded me. It was in 1970 or 1971 that the then minister brought in a bill called, "Lower Inventories for Tomorrow". Imagine paying farmers not to grow food, if that was not stupid enough. In the bill was a clause that repealed the temporary Wheat Reserves Act retroactively for 18 months. So that is not the first time I have seen this retroactive nonsense. We checked with some legal eagles and we were told that I could not take the government to court, the Saskatchewan Wheat Pool and the farmer's union could not take them to court, that it had to be somebody who had a direct interest in the matter.

The temporary Wheat Reserves Act was a measure whereby, if there was more that a certain amount of grain in store at the end of a crop year, and I think the ceiling was 175 million bushels, for anything more than that the federal government paid the storage costs. It was not the farmer's fault that the Seaway was frozen. It was not the farmer's fault that international markets had gone to hell. The government protected them. They tried to retroactively cancel the temporary Wheat Reserves Act, and the government had not sent a nickel to the Canadian Wheat Board for 18 months. It came to nice tidy figure of a little over $96 million that the government of day owed to the Canadian Wheat Board.

We did some more inquiring. I got a well-to-do farmer and a poor farmer and a couple of middle-sized farmers in my hon. friend's constituency that used to be called Assiniboia, in the area in Milestone, and we took them to Federal Court. The Deputy Minister of Justice, the judge, the interpreters, the whole works had to be flown to Regina. God knows what that cost. The Minister of Justice of the day, the most recent leader of the official opposition, and the Minister of Finance of the day were ready to shoot one Otto Lang, only nobody would let them have a gun.

We not only won the $96 million, we won $1.7 in interest charges. Then we won another $2,700 in court costs. I was a little worried about who was going to put up the court costs, but we won it. Why? Because the government of that day attempted to retroactively prevent their agencies from enforcing the law that the Parliament of Canada had passed. That is exactly what is being attempted now. By the way, we did not get an injunction. We applied for and got a writ of mandamus, which is the opposite of an injunction. An injunction states that you cannot do something. A writ of mandamus states that you must do something. In that instance it was: "You must obey your own law". Mr. Speaker, this government must obey its own law.

It is bad enough that they bring this bill in to take effect today without royal assent. But to bring it in retroactive for 18 months—and it will be that much, at least—but if it ever gets through here, it is the same principle. That flies in the face of a democratic system. It flies in the face of the principle that the first one to obey the law is the government itself.

I always thought that might be a lesson for years to come for any government of any political stripe. Obviously, it has not been. If we have to go through that exercise again, so be it.

Mr. George Proud (Hillsborough): Mr. Speaker, I am pleased to rise to speak on Bill C-26, an act to amend the Railway Act, regarding grain and flour subsidies.

This legislation proposes to eliminate the at and east subsidies for the transport of export grain and flour through eastern Canadian ports. The elimination of

business for our ports is the last thing Atlantic Canada needs in these difficult times.

The at and east program has been in effect since the 1960s. It was intended to offset some of the economic advantages that the U.S. eastern ports had over Canadian ports in terms of proximity to the sources of grain supply, larger facilities, and better transportation services.

Under the program, a fixed rate level for the movement of grain and flour from western Canada by rail to eastern ports was established in order to encourage the use of the eastern ports. Because the rail rates were frozen by statute, the railways were reimbursed by the federal government for the difference between the fixed rates charged to grain and flour shippers and the actual rates normally charged by the railways and set by the National Transportation Agency.

The at and east program has had far-reaching and beneficial effects on eastern ports, especially those of Halifax and Saint John and, therefore, on the regional economy. Almost 100 per cent of all export grain tonnage shipped through Saint John, and approximately 60 per cent of tonnage by way of Halifax, moved under the at and east rates. The direct and indirect benefits of such a huge amount of tonnage moving through our eastern ports are vital to the region's economy. The loss of this business will be devastating.

In its budget of 1989, the federal government announced the intention to eliminate the at and east grain and flour subsidy. The government's rationale for killing the subsidy was that the cost of shipping by rail to the U.S. ports is now considerably higher than it was at the time of the program's initiation, and that the railway costs were higher than those of shipping by water through the St. Lawrence Seaway. Also, the government stated that the subsidy created distortions and inefficiencies in the movement of grain and that the subsidy is: "Inconsistent with the government's market-oriented transportation policy."

We in Atlantic Canada know all to well that this government is market-oriented rather than people-oriented. The elimination of this program is going to have a devastating effect not only on the ports of Halifax and Saint John, but on the entire maritime region. The first to suffer will be the workers whose jobs depend on the grain and flour that moves on Canadian railways and through those ports.

We in Atlantic Canada have suffered through a year of negative government policies which are already having a devastating effect on the Atlantic economy, policies such as the closure and reduction of Canadian Armed Forces bases, the ongoing crisis in the Atlantic fishery, the gutting of the unemployment insurance program, and the cut-backs in VIA Rail. As if this were not enough, the government is now going to ruin the vital Saint John and Halifax ports which will have terrible direct and indirect consequences.

An analysis by the Atlantic Provinces Transportation Commission estimated that approximately $14.5 million in economic activity will be lost to the Atlantic region by the elimination of the at and east rail rates. If the Saint John and Halifax elevators were to close, the cost could reach approximately $26.5 million. The region cannot bear this kind of blow, especially now with a terrible year behind us, an even a worse one to come, and a recession looming.

The impact will be felt by the ports and by other sectors of the economy that depend on the movement of grain through the ports such as the activity in the grain elevators in Saint John and Halifax, and employment in the ports and on the railway. Indeed, the effect is already being felt. Even though this House did not pass the legislation, the National Transportation Agency has, without the approval of the House of Commons, raised the rates charged on export grain and flour moving on Canadian railways to eastern ports. It is no coincidence that the grain elevator at Saint John is slated to close this month, and that is only the beginning.

• (1810)

What would happen if the elevator in Halifax were to close? Beside its role in the movement of export grain, the elevator plays an important role in the storage and handling of domestic feed grain, and milling wheat. The elevators' inability to store and handle these grains, or even a rise in costs, would seriously damage the Atlantic pork, poultry, egg, and beef industries.

In addition, the Halifax elevator is the sole means of storage for milling wheat for the only Atlantic regional flour mill. The loss of the Halifax storage facility, which would result in large increases in freight rates and major capital expenditures for new or upgraded facilities,

would seriously damage the competitiveness of the flour mill.

As if the effect on the ports, elevators and mills is not bad enough, the maritimes would face the abandonment of much more of the rail network in a region which depends on the movement of grain and flour to the ports. It is painfully obvious that the elimination of the at and east transport subsidies would have a devastating impact on the economy of the Atlantic region which is already reeling from the effects of other government policies.

Employment will feel the pinch. The people who depend on a healthy, viable port industry will be among the first to suffer as jobs begin to disappear in the ports, the elevators, and the railways.

After the government announced that the at and east subsidy would be eliminated, the president of the Halifax grain elevator estimated that several hundred jobs could be lost at the port of Halifax as a direct result of this decision.

The estimate did not include the number of jobs lost in related sectors. Industry and labour officials all predict the major loss of business and jobs in the ports, elevators, and related industries as a result of higher transportation rates.

The Atlantic region cannot bear this loss of yet more jobs. How many times do we have to tell that to this government? When will it begin to understand the ultimate cost of its negative, short-sighted policies? Atlantic Canadians want to work. They need to work. They do not want to depend on unemployment insurance, or what will be left of the program if the government gets its way. Hundreds of jobs depend directly and indirectly on healthy, viable ports, elevators and grain transportation systems. The long-term costs of the loss of these jobs and of the damage to the Atlantic economy caused by an under-utilization of these systems and facilities will be enormous.

It is only logical that if there is a loss of government support for the transport of grain and flour along Canadian railways to eastern Canadian ports, less grain and flour will move through the ports. The Atlantic region already suffers from inherent disadvantages in competing with the U.S. ports which enjoy better shipping connections, not only with the American grain producers, but to the Canadian producers as well.

It is an age-old problem for eastern ports. The at and east helped us to remain competitive with the U.S. I should note that the at and east not only helped the eastern sector of grain and flour movement, but the western sector as well. Wheat boards need the fixed rates to move grain during the winter months to offset the higher costs of rail movement after the Seaway navigation closes. They need the fixed rates in order to sustain shipment to customers on a year-round basis.

By the elimination of the subsidies, the government manages to hurt both the eastern and western economies. If the government is truly concerned about reducing the amount of money it pays for the subsidies, while allowing the ports to remain viable, why has it not even responded to the positive proposals put forth by the Atlantic Provinces Transportation Commission?

As long ago as 1985, as was mentioned earlier this afternoon, at the invitation of the Minister of Transport, the Atlantic Provinces Transportation Commission submitted proposals to make the at and east more efficient. The commission acknowledged that the program, as it was originally planned, did eventually create some distortions in the movement of grain by discouraging the use of least cost routing.

But the Atlantic Provinces Transportation Commission believes that it is possible to be cost efficient, while still meeting certain objectives. Those objectives are to maintain the grain elevators at Saint John and Halifax, to maintain the commercial viability of the Halifax flour mill, and to maintain a constant flow of grain by rail through the two ports.

The APTC proposed that the frozen rates to the St. Lawrence ports be raised to compensatory levels and be held at such levels by the NTA. At the same time, the rates to eastern ports would be set at a fixed differential over the compensatory rates which would maintain the competitive relationship between the St. Lawrence and the Atlantic ports.

Finally, the APTC recommended that the fixed rates to Atlantic ports also apply to water transport, which is the most cost-efficient method of grain movement, and that the federal government fund a marine receiving

facility at Saint John. The port currently has no such facility and can therefore handle only rail deliveries.

It was estimated that the Atlantic Provinces Transportation Commission proposal would have resulted in government savings of some $22 million in transportation subsidies per year, which is about one-half of the total cost of the at and east program. But the Atlantic Province Transportation Commission never received a government response to its proposals. It seems that the efficient movement of grain to eastern ports, with the least amount of damage to western and eastern economies, is not the government's primary concern. Well, the government is once again bowing down to its idol of market-oriented policy while disregarding the human costs.

Atlantic Canadian workers asked the government to reconsider its short-sighted decision to completely eliminate the at and east program. They asked the government to consult with groups such as the Atlantic Provinces Transportation Commission so that the current distortions in the system could be eliminated without destroying the viability of Atlantic ports. With effort, ingenuity, and some will on the part of the government it can be done.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I am not going to say that it is a pleasure for me to take part in this debate today because it is not. The debate should not even be happening, if the government had any sense of justice or any sense of fairness. I am going to put forth a few ideas, most of which are not mine, but which come through my reading of the brief prepared by the Atlantic Provinces Transportation Commission.

According to APTC, the termination of the at and east rates will have serious economic consequences for the maritime ports, as well as certain activities that depend on the movement of export grain and flour through those ports. Based on an estimate made by the commission, the economic impact of the at and east rates program on the Atlantic provinces, based on 1985 data, was close to $35 million annually.

In addition to this, several studies have shown that the at and east structure, in its present form, creates certain distortions and inefficiencies in the movement of export grain and flour. In recognition of possible distortions, in 1985 the Atlantic Provinces Transportation Commission proposed certain modifications in the program to first reduce the demand on the federal treasury, second, lessen or eliminate distortions and inefficiencies, and third, to maintain movement of export grain and flour through Atlantic ports. The objectives of the proposed modifications were the maintenance of the grain elevators as viable units at Halifax and Saint John, the maintenance of the commercial viability of the flour mill at Halifax, and maintaining a flow of export grain and flour through Atlantic ports.

The specific proposal of the Atlantic Provinces Transportation Commission was that the rates be frozen at the present level, and the St. Lawrence ports be allowed to raise to a compensatory level and be held at a compensatory level on an annual basis by the national government. The economic impact of the government proposal on the Atlantic region will be in excess of $34 million.

• (1820)

An analysis by the APTC of the regional impact of the program showed that approximately $14.4 million in economic activity will be lost to the region due to the termination of this subsidy. However, should both grain elevators in the region at Halifax and Saint John be unable to continue operations, then the negative impact would amount to approximately $27.6 million. These amounts do not include any economic activity generated by the program which occurred outside the Atlantic region, such as railway employment, inland elevators, lake vessels, et cetera.

The maintenance of the Halifax grain elevators as a viable operation is of critical economic import to the entire Atlantic region. As well as the activity generated by the movement of export grain through the facility, the elevator also plays a vital role in the storage and handling of domestic feed grain and milling wheat.

Local pork, poultry and egg industries and, to a lesser extent, the beef industry, would be seriously affected should the Halifax elevator be unable to remain in operation. That is very dicey. In addition, the Halifax elevator is utilized as the only means of storage for milling wheat by the Atlantic region flour mill. The use of the Halifax elevator for domestic feed grains represents the only competitive alternative to the use of the railways as a means of obtaining the required feed

ingredients for the local livestock and poultry industries as well.

The use of lake vessels to Halifax with truck delivery beyond is the only competition faced by the railways for the amount of domestic feed grains into the maritimes. Without this alternative, rail rates for the domestic feed grains would be higher than presently is the case. As evidence of this fact, one has only to look at the historical record of feed grain rates to the maritimes to see that a significant drop in the rail rates took place when the water route to Halifax and the Halifax elevator began to be utilized for the handling of domestic livestock feed grains.

The local livestock and poultry industries in the maritimes face a tremendous disadvantage in terms of feed costs versus their competition in Quebec and Ontario. Any feed cost increases would place these industries in jeopardy. Local feed grain production in the maritimes meets approximately 20 per cent of requirements in Nova Scotia, from 35 to 40 per cent in New Brunswick, and up to 80 per cent in Prince Edward Island. The flour mill at Halifax faces intense competition in the Atlantic provinces market from competitors located in central Canada. It is totally dependent on the Halifax elevator for storage of milling wheat. The loss of that storage facility resulting in large increases in freight rates and capital expenditure to construct alternative storage facilities would seriously erode the competitiveness of the local mill. Local milling wheat producers would be faced with the loss of their only market should the flour mill at Halifax be abandoned or unable to continue operations.

In addition, the only source for mill feeds within the region would disappear resulting in higher procurement costs for the feed industry and higher feed prices. The Saint John grain elevator serves only the export market, however, the rail traffic provided by the movement of export grain over that portion of the rail line from Montreal to Saint John was an important contribution to the viability of that line. The maritimes is dealing with the abandonment of approximately 50 per cent of the rail network in the region. Any loss of traffic which will affect the viability of remaining lines is viewed as a very serious matter.

The shipment of export flour through the port of Halifax contributed significantly to employment at the port. It also played an important role for the railways in the positioning of boxcars within the maritimes for domestic use as the cars utilizing the shipment of export flour to Halifax were then positioned within the maritimes for the shipment of domestic cargo such as newsprint.

In 1985, in response to an invitation from the Minister of Transport, the Atlantic Provinces Transportation Commission developed and submitted specific proposals designed to make the at and east subsidy program more effective and efficient, while at the same time ensuring that the program responded to three regional economic objectives. These objectives were to maintain the grain elevators at Halifax and Saint John as viable units, to maintain the commercial viability of the flour mill at Halifax, and to maintain a constant flow of export grain and flour by rail through the ports of Halifax and Saint John.

The APTC proposal called for the rail rates on export grain and flour to St. Lawrence River ports to rise to compensatory levels. Rates to maritime ports would then be maintained at a fixed differential in relation to the St. Lawrence ports to allow the maritime ports to continue to participate in the movement of this traffic. The subsidy would maintain the fixed differential in rates. The proposal also called for the application of the program to include the use of water transportation to the maritime ports, and for the federal government to provide funding for a marine receiving facility for grain at Saint John to enable the use of water transportation to that port and to reduce the level of subsidy that would otherwise be required to support the use of higher cost rail transportation.

It was agreed by all parties that steps must be taken to ensure that the grain elevators at Halifax and Saint John are able to continue as viable operations, and that export grain and flour continue to move through the ports of Halifax and Saint John. They have put forward proposals with the Atlantic Provinces Transportation Commission to minimize harmful effects. The problem is the government does not listen.

The use of unit trains from Thunder Bay, or direct from prairie origins, to move export grain to both Saint John and Halifax is viable. This would allow both railroads to establish rates based on their most efficient method of operation. However, to become a viable alternative, this would require the full support of the Canadian Wheat Board and a commitment to provide existing government-owned covered hopper cars under

the same terms as they are provided under the Western Grain Transportation Act. Wouldn't that be terrible!

To permit the use of water transportation to Halifax and Saint John for Plan C feed grain would allow the most economical mode of transportation to be utilized for grain movement under Plan C pricing. The elimination of the countervail duty on U.S. corn would allow the elevators at Saint John and Halifax the opportunity to utilize existing back-haul vessel capacity to receive U.S. corn from Atlantic seaboard ports. The local livestock industry could then have the option of securing its corn requirements from either Canadian or U.S. sources, depending upon market conditions, and providing throughout at the local elevators.

The provision of facilities to receive grain by water at the Saint John grain elevator is currently unable to function due to the lack of necessary marine unloading equipment. Imagine how long they would put up with that in one of the Great Lakes seaports. The provision of equipment to allow for the receiving of grain by water would give the elevator the opportunity to solicit business, which it is not able to accommodate at present, such as U.S. corn or shipments of Canadian export grain directly from lake vessels.

• (1830)

What of the continued use of Halifax for the shipment of export flour? The natural advantages of Halifax for the handling of this type of cargo should be promoted and fully utilized. Another proposal is the provision of permits allowing the importation of feed grains from foreign countries. This would allow the grain elevators at Halifax and Saint John to increase the volume of grain handled, should opportunities arise in this market and contribute to the over-all viability of the operations.

The at and east export grain and flour subsidy program had important implications for several domestic industries in the Atlantic region, including local livestock producers, flour milling and the railways. With the cancellation of this program, the continued viability of grain elevators at Halifax and Saint John is definitely in jeopardy.

It is vital that these and other alternatives put forth by other interested parties be examined and a solution found to guarantee the continued operation of the grain elevators at Halifax and Saint John.

Despite the woeful contempt of this government for Parliament, I am making this proposal developed by the APTC in the vain hope that this government may listen to reasonable and thoughtful alternatives. However, these are the same people who have not listened to any other proposals that have been put forward. I ask, indeed I plead with the government to listen and seriously consider the well-being of Atlantic Canada. We are still a part of this nation. We have not been cut adrift yet, although the government has worked very hard at doing that.

While the Prime Minister, the Minister for International Trade, the Minister of National Defence, the Minister of Employment and Immigration, and the Minister of Finance are all busy trying to savage our social programs, our military bases, our fisheries and our way of life, what are our Atlantic Tory members doing? Where is the Minister of Veterans Affairs hiding? Where is the Minister of Regional Development? What is he doing?

What can we expect of these people who have betrayed their mandate and their people? These are the same people who silently allowed the government to savage Atlantic Canada after we had the Wilsonian restraint. These are the same people who have allowed our military bases to be savaged throughout Atlantic Canada and elsewhere.

These are the same people who silently allowed Canada Post to ride roughshod over the will of the people. That is another dictatorship in this country.

The clock is ticking and Atlantic Canadians have long, long memories. I say to my colleagues opposite that the time is running out for them. It is time to start fighting for your region, for the infrastructure, what is left of it and, most of all, for your people.

Atlantic Canadians are getting very fed up with this government. They are sick and tired of being betrayed. Every promise that was made to Atlantic Canadians has been broken. I cannot think of one promise that was made, and there were a lot of them in the last couple of elections. I cannot think of one that has not been broken. It is time members of this government started to be a

little sensible and a little sensitive to the people of Atlantic Canada. If they are not they will pay the price, because Atlantic Canadians have very long memories.

Mr. Hockin: Mr. Speaker, is the hon. member aware that the federal government, through the Atlantic Opportunities Agency, has spent over a billion dollars and that there will be new co-operative agreements emerging? Is he aware that since 1984 the federal government has spent $540 million in Cape Breton alone? Is he aware that unemployment in the Atlantic provinces since this present government has been in power has fallen enormously from 1984? Is he aware that unemployment has fallen in every province of Atlantic Canada since this government has been in power, compared to the previous government?

Is he aware of these very important facts which indicate the strength of commitment, resolve and the practical contribution that the federal government has exhibited toward Atlantic Canada right from the first month of its mandate?

Mr. Dionne: Now, Mr. Speaker, that is what you call looking at the world through rose-coloured glasses. As a matter of fact I would say blue-coloured glasses.

Let me tell the hon. member what I remember. I remember the betrayal of CFB Chatham and the directorate of pay services. I remember the betrayal of myriad promises that were made throughout Atlantic Canada. I can see what is happening to CFB Summerside: another betrayal.

I can go on and on, but you have the picture, Mr. Speaker. You can talk about CN shops too, if you want. You can talk about the refusal of this government to enter into a cost sharing agreement with the Atlantic provinces to maintain their infrastructure.

Mr. Hopkins: That is nothing new.

Mr. Dionne: No, it is nothing new, but the government had been out of power so long that we forgot how very bad it could be.

Mr. Milliken: Mr. Speaker, the hon. member for Miramichi has made an excellent speech to the House and I commend him for it. In preparation for this speech did he consult with his constituents and those in Atlantic Canada who are interested in this issue? I wonder if he has had any consultations with farmers in the region on what they might think of this bill?

Mr. Dionne: Mr. Speaker, I do not know if the proper noun that could be used with regard to the views of farmers in the region is anger or despair, but it is one or the other.

I can tell the hon. member that farmers are totally fed up with the way in which this government is conducting its affairs with the obvious—

An hon. member: And not only the farmers.

Mr. Dionne: —attempts that were made during the campaign to deceive the public. Knowing that they have been deceived, they have no faith left in the government.

Mr. Simmons: Mr. Speaker, I thought my friend for Miramichi answered the question of ACOA even before the minister rose. Although I am sure it was unintentional the minister did mislead the House just now. ACOA was funded for a five-year period. These guys and gals have the brain-child that they should spread the five years over seven years after half the money was spent.

If the minister is going to participate in this debate in any fashion, he should at least tell the truth to the House. I am sure my friend for Miramichi would agree with that, if he had the time. Perhaps we should give him, by leave, a little extra time to deal with the ACOA question, because I would not want him to leave on record that mischievous misinformation of the minister of tourism about ACOA.

The idea is that somehow in Tory terms a cut-back is an improvement for people. The minister and his government should be the people on the other end trying to buy the groceries, trying to get ACOA grants, when there is not as much in the pot spread over a larger period. I am sure my friend would want to endorse that.

Mr. Dionne: I certainly would want to endorse that. I would want to say as well that Atlantic Canadians, certainly Canadians in my riding, are very disappointed with the Government Canada and regional development.

• (1840)

As my colleague said, the government has spread the money over more years than it promised and it has devastated regional economic development. As a matter of fact, most people I know are very suspicious now that many of the ACOA grants are given out on the basis of patronage rather than on the basis of proper assessment. Certainly, I think a very strong case could be made for

that in the way that the largess was heaped upon certain areas of New Brunswick during the last campaign.

Ms. Mary Clancy (Halifax): Mr. Speaker, I rise yet again in this House more in sorrow than in anger, yet still in disbelief. Perhaps after 14 months in this House my disbelief should be tempered with knowledge of the activity and agenda of the other side.

I speak particularly as a member from the beleaguered region of Atlantic Canada. I listened today, and I listened proudly, to the words of my colleagues from Lambton—Middlesex, from Miramichi and from Humber—St. Barbe—Baie Verte, as well as others who spoke eloquently and long on the subject of this government's particular agenda.

I listened and I listened proudly knowing that my colleagues speak out for all regions this country which are suffering at the hands of this government. But, as an Atlantic Canadian, I suppose you can call this a special pleading because I think there is not another region that suffers quite so badly at the hands of this government.

We have seen it day after day in this House, in bill after bill, in policy after policy. The Atlantic fishery is in crisis, no matter what the right hon. Prime Minister might say. VIA Rail has been cut to pieces. Atlantic Canadian students, seniors and the sick are unable to depend on the transportation lifeline that they have relied on for so many years. We have seen another nail in the coffin of our economy.

I listened with interest to the comment of the minister, who appears to have gone somewhere, regarding the so-called wondrous gifts of ACOA. Those of us in Atlantic Canada, those of us who sit here and represent our fellow Atlantic Canadians, know the myth of that kind of talk. As my colleague from Miramichi said, we will not forget. We will remember.

Last June, many of the same people who rose today to speak on the issue of the at and east subsidy rose then as well to talk about the devastation the passage of this bill will create in our region. We talked about it then because of the effective date in the legislation, the fact that before the bill had been presented to this House the word was already out in the Atlantic and elsewhere that July 16 would be the effective date of the cancellation of the subsidy.

It is more than just a coincidence. It is the fulfilment of yet another piece of the agenda of this government. Those of us duly elected by our people from coast to coast are irrelevant to the workings of this government. The subsidy is cancelled on July 16 and the bill comes into this House on February 12—seven months later. It is not only not good enough. It is an insult to the people who represent Canadians on both sides of this Chamber.

My colleague from Kingston and the Islands asked my colleague from Miramichi what the farmers in Atlantic Canada think of the cancellation of this subsidy. The hon. member for Miramichi said that they thought it was disastrous. I think that he was being kind. In truth the response, should you ask Atlantic Canadian farmers what they think of the cancellation of the at and east, is simply unparliamentary. I cannot tell you what that response is but I can leave it to the imagination. I hope the imaginations of my friends opposite are fairly vivid. Atlantic Canadian farmers are in distress. They are going to be in more distress because of the cost of feed.

I represent a riding that is urban. There are no agricultural holdings in my riding, but every Atlantic Canadian suffers when one sector of the economy is attacked. When every sector of our economy is under attack, as it has been since the disastrous budget of 1989, then all Atlantic Canadians, urban or rural in whatever jobs they have left, are in difficulty and will continue to be in difficulty.

I go back to the purpose of the program. According to the then Minister of Transport, the Liberal Minister of Transport, the Hon. J. W. Pickersgill, in 1966 there were two major purposes for the at and east. The first was to ensure that eastern Canadian ports could compete with U.S. ports and to enable the ports of Halifax and Saint John to compete with Montreal and other St. Lawrence River ports.

The cancellation of this subsidy is a microcosm for the long-term policies of this government *vis-à-vis* our nation. To ensure that eastern Canadian ports could compete with U.S. ports, I am afraid we have seen over the last 14 months just how keen this government is to

have any industry in this country compete too heavily with our American friends.

I am afraid that when it comes to a choice between struggling industry and workers on the east coast of Canada and American business, in the minds of this government American business will win out. There are many benefits to this program.

The program has caused the railways to earn gross revenues averaging $33.5 million over the period from 1971 to 1981. Georgian Bay ports and transfer elevators earned revenue averaging $1.4 million per year and maintained about 75 jobs as a result of the program. Halifax and Saint John earned revenues averaging $1.6 million per year and maintained about 85 jobs.

That may not sound like a lot but believe me in the Atlantic Canadian economy it is major and important. The loss of those jobs and others relating to this subsidy will cut and cut deeply into a section of the country that is already battered and bleeding.

In anticipation of what we will be receiving at the hands of the government on the night of February 20, when the new budget comes down, some of us in Atlantic Canada have looked at each other and said: "Well, maybe we do not have a lot to fear". The reason we may not have a lot to fear is because there is practically nothing left that can be taken away from us, unless the government decides to fire bomb our cities, which may be the next step. I should probably not issue that challenge; God knows what they might come up with.

The milling industry benefits significantly from the subsidy program without which the export flour trade might become extinct. Between 1976 and 1985 the flour industry exported 406,308 tonnes on average annually under the program. Approximately 70 per cent of the flour shipped for export was milled in eastern Canada.

In 1985 the industry received about $16 million in subsidy payments compared to about $9.7 million in 1976.

Much of the decrease in Canadian export flour trade can be attributed to the significant market share captured by the EEC. The EEC members have been heavily subsidized under the common agricultural policy. This financial assistance has enabled them to increase their share of the world flour market from about 8 per cent in 1970–71 to 58 per cent in 1984–85. Yet this government has something against subsidies that might do the same thing for eastern Canadian industries and might see us add a little to a much beleaguered economic situation.

• (1850)

Grain producers in eastern and western Canada benefit through freight cost savings and shipments made under the program and the realization of higher average returns by spreading out marketing quantities of grain throughout the year. This is particularly true of Ontario grain producers.

The Ontario Wheat Producers Marketing Board exports about 450,000 tonnes to 600,000 tonnes of grain, of which about 150,000 tonnes move under the at and east subsidy program. The existence of the Georgian Bay—Great Lakes transfer elevator facilities enable Ontario producers to store their crop and market it over an extended period of time, thereby yielding producers the best average return.

The railways, CN and CP, received the subsidy for the transportation of grain and flour at the frozen rate. They also gain from the handling of grain at railway owned and/or operated elevators in Georgian Bay and Saint John, New Brunswick. In 1985 the railways received average subsidies of $23.40 per tonne for grain and $63.58 per tonne for flour. As noted earlier, a number of old Ontario elevators and the elevators in Halifax and Saint John owe their existence to the at and east subsidy.

It is conceivable the Port McNicoll, Midland and Owen Sound would not exist as transfer facilities without the subsidy. The same is absolutely true of the maritime elevators. Those maritime elevators, and the one I know most particularly, the one in Halifax, mark a part of our skyline and they show us in the city of Halifax that people are working. This ideal is becoming less and less true as we drive around Atlantic Canada. This ideal has become untrue for the people of Lockeport. It has become much less true for the people of Canso. It has never been true since this government came in for the people of Cape Breton, in spite of the words of the hon. minister.

Bay port elevators provide maritime elevators with most of their at and east grain traffic. This traffic, subsidized by the at and east, accounts for 95 per cent of total receipts at Saint John and 70 per cent of total receipts at Halifax. We have been discussing, debating,

complaining and asking the government to change its mind about this for over a year. There has been no response.

It is interesting. It is not all cakes and ale on the Conservative side of the fence as far as this goes. There are even some Conservative members who are not terribly happy about this decision. Even an hon. Tory, the member for Annapolis Valley—Hants, is on record as supporting offsets to help grain growers in the region. I think it would be interesting to know how he really feels about the cancellation of the at and east subsidy.

Halifax is a city that depends on its ports. The grain elevators, the activity produced by the grain elevators, and the jobs created thereto are a part of the relative economic health of the city of Halifax. I say "relative" because it is relative to the ill health of the rest of the region. That ill health in the rest of the region has been caused by the poisoned dart of government policy.

There is no particular reason, other than a government devoted to a Canada that does not exist outside the very central part of our geography, to see our regions die, and yet they are dying. They are dying from a lack of interest. They are dying from an interest that can only be described as poisonous and that can only be described as anti the best interests of large numbers of Canadian citizens.

If the regional elevators lose the grain exports from the at and east subsidy and somehow on their other business manage to remain open, $14.4 million in economic activity will be lost. But, if both regional elevators shut down, loss of economic activity will be in excess of $27 million. Local livestock and poultry industries in the maritimes face a tremendous disadvantage in terms of feed costs versus the costs in central Canada.

Again, another hit below the belt. Another damaging blow to a small but viable industry in the Atlantic region. It almost gets to the point where Atlantic Canadians look around and say: "What did we do to deserve this?". Some may respond that what Atlantic Canadians did to deserve this was send too many people to this Chamber, to sit on my side of the House. I look at my colleagues from Atlantic Canada who sit on your side of the House. I look at the member for South Shore, possibly the second most beleaguered riding in Canada, which is home to Lockeport and home to Barrington and used to be home to a VIA Rail route.

I look at the member for Cumberland—Colchester. I look at the member for Halifax West and I look at the Minister from Central Nova, and I want to say to them: "How can you live with this specific policy that points a gun at the heart of your region, and daily sees the people you represent, your fellow Nova Scotians, losing their jobs, losing their livelihood, but worst of all, losing their hope".

That is the ultimate terror and the ultimate disgrace of the policy of this government, of this anti-national government that looks at people in a region and says that because they live in the Atlantic, or because they live in the north, or because they live in the west, they are not full-fledged Canadians and do not deserve the same benefits that other Canadians enjoy. They do not have a right to stay in their towns and villages and cities to bring up their children and buy their houses and live a decent Canadian standard of living.

I will never ever forget sitting in Halifax with the committee on the UI changes. I heard an hon. member opposite say to the President of Fédération acadienne de Nouvelle-Ecosse that if young Acadian Nova Scotians could not find jobs, they had an easy option. They could move or they could starve. Well, we do not accept that. We do not accept it in Atlantic Canada and we will not accept it. This government had better realize it now, and realize it fast.

Mr. Kempling: She is threatening us now.

Ms. Clancy: Yes, she is threatening, Bill. Indeed, there are a lot of other people who are threatening, right behind me. There are 800,000 people in the province of Nova Scotia. There are 500,000 plus in the province of New Brunswick. There are 150,000 in Prince Edward Island. Small, I admit. But we are there and we are vocal. The members who have been elected to represent those people will continue to be vocal.

You can make your policies. You can practise your scorched earth policy, your search and destroy missions on the Atlantic. But we survive. We survived John Diefenbaker, and we will survive you. The sooner you are aware of that and the sooner you start thinking about what that is going to mean for you and all your friends in 1992, I think the happier you may be. Believe me, we

were here before you got here and we will be here long after you have gone.

An hon. member: Hear, hear!

Ms. Clancy: We are tough.

An hon. member: You had better find a leader.

Ms. Clancy: My dear, we are burdened with a plethora of leaders. You should only be so lucky.

In answer to this obvious desire to change the subject by my less than learned colleagues across the floor, may I merely state that it is only typical of the tunnel vision of my hon. colleagues that they cannot see the forest for the trees.

However, back to the issue at hand, the issue of the at and east. The cancellation of the subsidy is a disgrace and it is one that will long, long be remembered.

I move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

That Bill C-26, an Act to amend the Railway Act (grain and flour subsidies), be not now read a second time, but that it be read a second time this day six months hence.

PROCEEDINGS ON ADJOURNMENT MOTION

• (1900)

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

IMMIGRATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on December 13, 1989, I asked the Minister of Employment and Immigration whether she would immediately discontinue the Immigrant Investors Program which allows wealthy people to buy their way into Canada by investing $250,000 or, in the case of the prairie provinces or the maritimes, $150,000. I also asked whether she would take action to ensure fairness in Canada's immigration policy.

The success of this buy-a-passport program is questionable. There are many reports of investors losing their money in government-sanctioned immigrant investor funds. At least five such funds in B.C., including three that were controlled by the Merbanco Group of Calgary, Pinetree Software Canada and New Canada have been called failures. Investors who had deposited money in EdmontAsia Capital Corporation, an Alberta-based investment fund that was also managed by the Merbanco Group, have been told that at least half of their money was gone. The failure of these government-sanctioned immigrant investor funds not only gives Canada a bad name, it also gives bad publicity to other investment funds which are reputable.

There are also complaints that the money from some of these immigrant investor funds are not used for economic development and job creation. Money invested in Pinetree Software Canada has been tucked away in a trust company collecting interest. In the meantime the company has been declared a failure. The Canadian Maple Leaf Fund has invested $581,000 in real estate development in Whistler. Yet, under federal guidelines this immigrant investor money cannot be used for real estate ventures. These kinds of investments do not contribute to creating permanent jobs or economic wealth which might have been a value of this program.

Everyone knows that this program is out of control. Nobody knows how much money has been properly invested, how much money sits collecting interest and how much money has been lost. Until last August this program was not even monitored by the government.

I oppose the business immigration program in principle. It creates two classes of immigrants, an elite group and a non-elite group. It allows wealthy people to buy their way into Canada while those who are not wealthy find it very difficult to immigrate. Many persons are excluded. I know many in my riding who would be good Canadian citizens, bringing energy and skills and hard work, but they are excluded because they cannot make enough points or do not have enough capital to buy their way in. Incidentally, the new fees for sponsors are not helping either. Many sponsoring relatives work at several low-paying jobs to try to bring relatives over and they are very hurt by long delays and frequent refusals, while others can buy their way in in very short time.

Business immigrants are given second highest priority in processing after the family class immigrants and refugees. They only need to receive 25 points to have their applications approved while 70 points is normally required by other immigrants. It is proof that money is power according to this government, it allows people to buy their way into Canada. It also gives the wrong

message to newcomers about Canadian values which I had hoped would be based on fairness and equality.

There is also a huge backlog of refugee claimants here in Canada who are still waiting for the decision as to whether or not they are going to be allowed to stay as landed immigrants. At the end of 1988 there were over 107,000 in this backlog, approximately 100,000 of whom had not even been given the initial interview. This is our new streamlined procedure.

In 1989, when the new refugee determination system was implemented, the government said there would be no further backlogs, yet 7,000 of the latest claimants are in a new backlog still waiting for a decision. Under the new system refugee claimants have had to wait up to four months for the credible basis hearing, which is only the second stage in the refugee determination process. What does the government intend to do to expedite this process?

• (1905)

We must also give refugee claimants work visas and language training while they are waiting so that they will have some security, and their children must have schooling.

Around the world thousands of refugees wait in refugee camps for a country to accept them, particularly in southeast Asian countries and in Hong Kong. There are many living in overcrowded living quarters with poor sanitary facilities where contagious diseases and outbreaks of violence are common. The daily arrival of more refugees is causing great strain on the limited facilities, particularly in Hong Kong, which is a very small place. And yet, while Canada openly criticizes the Hong Kong decision to repatriate these refugees, we have not opened our doors to take them in order to both help the refugees and alleviate the situation in Hong Kong.

New Democrats believe in a fairer immigration policy which considers family reunification as a top priority. In many cultures "family" has a broad meaning. It includes an extended family and this should be considered in our immigration policy. In a multicultural Canada we believe the family should include extended family members in the family unit.

Immigrants in Canada face a very difficult time adjusting to their new environment and to the values of a new society, and yet the government is cutting back on the settlement language program. This is a good program but because of the lack of continuity in funding, it results in an ineffective program for many, women in particular. That should be changed.

We also have objected many times to the cut-backs in the Citizen Instruction in Language Training program, which will be cut out entirely by this government. This means that newcomers, particularly women and people who are not in the workforce, will not be able to get the kind of settlement services which they need.

I call on the minister once again to review and withdraw the Immigrant Investor Program and to reinstate the CILT program so that entry to Canada will be fair and equitable and new Canadians will have the assistance they need to settle quickly in a multicultural Canada.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I welcome the opportunity to expand upon the reply given by the hon. Minister of Employment and Immigration to the hon. member for Vancouver East on December 13 concerning the Immigrant Investor Program.

In 1989, investor immigrants, their spouses and dependents accounted for 1.1 per cent of total immigration. Since its introduction in January 1986, approximately 3,000 investor immigrants, including spouses and dependents, have been granted landing. In that same period, the total immigration has exceeded 550,000 people.

Investor immigrants increase investment funds available for small and medium-sized businesses across Canada. The investor program itself is supported by all provinces and provides a meaningful and growing support tool to enhance regional and professional economic development in Canada. Immigrant investors' funds are intended primarily to increase and maintain Canadian employment. Nevertheless, the investor program is relatively new and has to be refined further. The govern-

ment has recognized this and has implemented measures to improve the administration of this program.

For example, on May 2, 1989, the minister announced the creation of the Business Advisory Committee to advise the minister on issues relating to business immigration. A business immigration unit has been established within Employment and Immigration Canada to concentrate on the effective operation of this program. An investor monitoring system has been developed and new regulations have been put in place. All of this has taken place in the context of ongoing negotiation and co-operation with the provinces.

• (1910)

Preliminary reports indicate that since 1986 this program has produced or maintained over 11,000 Canadian jobs with more to come. This is a program which not only creates jobs, but brings people, skills and capital to all parts of Canada. In short, the investor program benefits all regions of Canada. It is the intention of the government to continue working with its provincial partners to improve the program and to continue to attract investor immigrants to this country.

CANADA ELECTIONS ACT

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, my question this evening relates to an article that appeared in *The Globe and Mail* on November 29 of last year. I asked a question in the House on that same date and I will refer to that in a moment to refresh Your Honour's memory of the occasion.

The article of November 29 read in part as follows:

> Internal Conservative Party documents reveal a proposal that, in certain circumstances, Tory fundraisers would remind potential corporate donors of federal government contracts they have received.
>
> But documents obtained by The Globe and Mail show that there were detailed plans within the Progressive Conservative Canada Fund to set up a computerized system in which the file on each corporate donor would include a list of the number of government contracts, grants or policies that have benefited that corporation.

The Globe and Mail reporters did some interviews. They interviewed one Nicolas Locke, executive director of the PC Canada Fund. The article goes on:

> Nicolas Locke, executive director of the PC Canada Fund, the party's fundraising arm, confirmed in an interview last week that the party has computerized files on each corporate donor, and that the files were updated in 1986 after an internal review.
>
> But Mr. Locke denied that the files contain information about government contracts, grants or policies beneficial to the company—
>
> Mr. Locke also strongly denied that party fundraisers ever mention government contracts or grants when they discuss a donation with a donor or prospective donor.
>
> "They're clearly directed not to do that," he said. "Some people in this world have gotten into trouble doing things like that, but they have not been associated with the PC Canada Fund."

Well, as a footnote, Mr. Speaker, they certainly were not but they were clearly associated with the PC Party of this country.

Then he went on:

> Mr. Locke said that he suspects that soliciting donations from donors by reminding them of government business they have received would be not only improper but possibly illegal.

Imagine. He really thought about that one before he spoke. Then he went on:

> "Our canvassers are told in no uncertain terms not to get involved in that sort of thing," he said. "If anybody started soliciting that way, they'd be drummed out."

Well, we know what happened to some of the cabinet ministers. Ten of them have been drummed out and we know that two of the Conservative back-benchers have been accused of illegal activities in connection with fundraising. One has been convicted and one is currently facing a host of charges.

We have evidence of impropriety in the Oerlikon land deals that seem to have been forgotten. While the story in *The Globe and Mail* may be of some interest, it only touches the tip of the iceberg. We can see how big the iceberg is when we look later in the story. In the third column it says:

> Last year, the Conservatives dramatically outstripped the two major parties in raising money from the business community, collecting $14.3 million in corporate donations, compared to $8.4 million collected by the Liberals and $262,000 received by the New Democrats, according to public election records.

I would not want to suggest that the New Democratic Party is immune to this sort of thing because, after all, their fundraising is done through the unions and they pay for that in the way they are required to follow the dictates of the union bosses. We hear about that in the

spats that arise between the government members and the New Democrats from time to time in the House.

As a result of all this I put a question to the Deputy Prime Minister on November 29. I asked him if he would tell the House whether in fact the government sent lists of persons who received government contracts to anybody, and specifically to the PC Canada Fund. The Deputy Prime Minister, in his first answer, said that I was referring to a discredited story and I need not worry about it. He did not answer my question. I then asked him if he would tell us whether he would instruct his bagmen to appear before the Election Reform Commission that he has established to reveal their practices and their lists. He sloughed off the question by saying, as reported at page 6374 of *Hansard*:

> —if the hon. member wants to make reference to the commission about who should appear or who should not appear, he can make that representation directly to the commission.

• (1915)

It is my submission, first, that the Deputy Prime Minister has an obligation to answer my question, and I hope when we hear from the parliamentary secretary, although I am sure he is reluctant to get to his feet on this one, that he will tell us that these lists are not forwarded to the PC Canada Fund and that there are in fact no such lists.

But I suspect that there are such lists and I would like to know to whom they are made available. Certainly the lists could be compiled from answers we can put on the Order Paper in this House and certainly they come out in press releases. I think that members of this House should know whether in fact these lists are prepared by the government and forwarded to the PC Canada Fund so they can be put on this computer.

If they are, it supports the story in *The Globe and Mail*. It gives evidence of potential risk of wrong-doing and I think we ought to take steps to see that that sort of risk is minimized.

After ten resignations from the cabinet, and I can think of only two prosecutions under the Criminal Code for offences relating to fundraising, I think it is time that the government took stern measures, and I think that is putting it mildly, to ensure that this kind of conduct does not continue.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the hon. member is a member of the second oldest profession in the world, that is why they are sometimes called solicitors. That is what he was going through today.

I believe the hon. member's question stems from newspaper articles which appeared in late November of last year. Those articles referred to a draft report dating back to 1986, which report was never adopted. Indeed, I understand that the lists of government contracts are not and never have been used by PC Canada Fund. I hope that puts the matter to rest.

The hon. member has also raised questions with respect to the Royal Commission on Electoral Reform and Party Finance. The government's intention to establish this commission of inquiry was announced in the Speech from the Throne to open the second session of the Thirty-fourth Parliament on November 15, 1989. The Prime Minister announced the establishment of a commission to inquire into and report on the appropriate principles and process that should govern the election of members of the House of Commons and the financing of political parties and candidates' campaigns.

The Prime Minister further indicated that this study would include an examination of the practices, procedures and legislation in Canada; the means by which which political parties should be funded, the provision of the funds to the political parties from any source and the limits of such funding and the uses to which such funds ought or ought not be put; and the qualification of electors and the compiling of voters' lists, including the advisability of the establishment of a permanent voters' list.

I understand that in mid-January the chairman of the commission, Mr. Pierre Lortie, wrote to various people, including all members of this House, inviting them to participate at public hearings. I am sure the hon. member received the letter as I did. I hope he will make his submission. In addition, public notices were published in newspapers across the country requesting all those who wish to express an opinion to provide relevant information and to submit a written brief to the commission by March 9, 1990.

I understand that the commission plans to begin public hearings in the spring. The government has long recognized the need to amend and improve our electoral laws. Indeed, many important amendments were introduced in the last Parliament in Bill C-79. Unfortunately, the

government was not able to secure the co-operation of the Liberal and New Democratic parties to allow passage of even those portions of the bill to which all parties had agreed.

• (1920)

The government hopes that the important work undertaken by the commission will help develop a consensus on many complex issues. The commission is uniquely qualified to provide advice on the principles and the process that governs elected representatives and their respective political parties. The government looks forward to receiving that advice.

VIOLENCE AGAINST WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, when I rose on December 8 in this House, the nation was stunned and sorrowing because of the horrific slaying of the young women students in Montreal.

At that time I asked the Prime Minister a series of questions, questions to which he and the Minister of Employment and Immigration made some response. My questions were simple. First, I asked the Prime Minister whether he would agree to the appointment of a joint House of Commons and Senate committee to seek solutions to the all-pervasive problem of violence against women in Canada.

Second, I asked whether the Prime Minister intended to consult with representatives of women's groups in order to take advantage of their particular expertise and wipe out violence against women.

Third, I asked whether the Prime Minister would undertake to restore funding to the women's programs, at least those dealing with violence against women that were slashed by 15 per cent.

At that time the Prime Minister and the Minister of Employment and Immigration who, of course, as we all know, is also the minister responsible for the status of women, made a commendable effort to demonstrate how appalled this government was by the events in Montreal.

The Prime Minister stressed that he had met the students from the University of Montreal and that this government is using any number of means to wipe out such violence. Unfortunately, this is just another example of how words come more cheaply than actions.

The depth of the problem has not lessened simply because time has passed since the massacre in Montreal. However, this government's commitment to eradicating violence against women has not only lessened, it makes most of us think that it is non-existent.

The fact remains that no joint House of Commons and Senate committee has been appointed. Women's programs across the board have been slashed by 15 per cent and, if the Prime Minister has met on any form of official basis with groups committed to erasing violence against women, he certainly has not told us about it. I suspect that if he had, he would have.

What will it take for this government to finally open its eyes and recognize that it must do something. Yes, the situation in Montreal was horrific because of the circumstances and the number of young women who died. But every day in Canada women are beaten, women are abused, and women die. Action is needed. Action is needed now. It is not enough just to recognize that the problem exists. We all recognize that the problem exists. The time has come to do something, to say something, and to act.

On one hand the Prime Minister claims that this is one of the most serious problems in our society, but it seems that this is the extent to which the Prime Minister is prepared to go. Programs are underfunded. Women's groups have not been called upon to assist in the creation of a strategy to remedy this situation and, most absurd, the Prime Minister has not utilized the resources at his disposal to appoint a House of Commons and Senate committee which could hear the immediate responses of many groups across this country with good ideas as to how we stem the tide of violence against women.

So what do we have? We have a government that is committed to inaction. I do not for a moment suggest that the horrific events that occurred in Montreal and the day-to-day violence against women do not touch members on the government side as much as they touch members on the opposition side. But I do suggest that there does not seem to be a political will on the other side to act.

I have asked questions in this House before, relating to the special initiatives program to stem the tide of violence against women, as it pertains to transition houses. The answer I get is that less than a quarter of the money has been spent. What do I hear from women's groups across Canada involved in transition houses? I

hear that when they contact the federal government they do not get a response, they do not hear, they do not know how to go about accessing the money that was promised over 18 months ago.

• (1925)

I certainly hope that the hon. parliamentary secretary has some good news for us on this issue. It is time for the government to act and make a legitimate effort to end violence against women. The fact of the matter is that if he does not act, then the Prime Minister does not see this as one of the most serious problems in our society.

Fifty-two per cent of the population of this country has reason to fear more than the other 48 per cent of the population of this country. It is wrong. We all know it. But it does no good to stand in this House and pontificate. It does no good to say yes, we care, if we do not act, and action costs money. The only thing that is going to save the lives and the sanity and the dignity of Canadian women who are daily in jeopardy is government action and government money and it has to start now.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, members on both sides of the House have rightly expressed their indignation about the tragic events that occurred last December. In our efforts to understand what lay behind the horrifying massacre of 14 young women at the University of Montreal, we have tried to find reasons and explanations for the senseless and inexplicable act of a profoundly disturbed individual. Marc Lépine acted alone. However, his actions have shown to what extent violence can permeate society.

Our government is now making a concerted effort to reduce the manifestations of this violence. Through measures announced last year to fight family violences, $40 million is being spent on protection, treatment and prevention. The federal government is also working very closely with the provinces and the non-governmental sector on developing a comprehensive national strategy to fight family violence in this country. In fact, the forum on family violence held last June was a very important part of this process, as the hon. member should know. We expect to be able to announce a national strategy next spring. I hope it will be a satisfactory response to her request that we create a special joint committee of the House and the Senate, which I don't think would be the answer and would not produce the results this forum will provide for the government and, of course, for women and children who are victims of violence.

I would also like to recall that in 1987, this government passed legislation to deal with child sexual abuse. We will be talking about this very shortly.

Mr. Speaker, violence is not some impersonal force like wind or rain. Violence exists because people are capable of violence. Governments cannot legislate attitudes. However, we can introduce programs and take measures that promote changes in attitude. That is what we have done with our measures to combat violence, and that is why many of these measures support the efforts deployed by non-governmental organizations to improve people's perceptions and relationships with each other.

Mr. Speaker, we all, and I am sure the hon. member will agree, want to put an end to violence towards women, children and the most vulnerable in our society. It is the most earnest wish of this government and your humble servant.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m, pursuant to Standing Order 24(1).

The House adjourned at 7.29 p.m.

HOUSE OF COMMONS

Tuesday, February 13, 1990

The House met at 11 a.m.

Prayers

[*Translation*]

QUESTION OF PRIVILEGE

FILING OF PETITIONS

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, I rise on a question of privilege. Last October, I filed a petition signed by my constituents with the Clerk of the House, as prescribed by the Standing Orders. A month later, two other ministers did the same.

In an article in *La Presse*, an employee of the House of Commons was quoted indirectly as saying that filing a petition directly with the Clerk instead of presenting it in the House might indicate that we disagreed with the position defended by the petitioners. The same employee also said there was nothing to compel us to act as messengers for groups with whose views we disagreed. For instance, a member opposed to abortion would probably not table a petition in favour of abortion.

Mr. Speaker, these comments are inaccurate. As you know, Canadian citizens have always had the right to petition the Crown and Parliament for redress of what might have been perceived as a grievance. I quote Beauchesne's, our authority on parliamentary procedure:

> Although the House of Commons is a representative institution, it only considers questions submitted by its elected Members. Therefore the ordinary citizen has no right to appear personally before the House of Commons. If he has a grievance, he may present a written petition through a Member within the conditions laid down in the Standing Orders of the House.

The only elected representative in the House who is excluded from the responsibility to present petitions from his constituents is the Speaker, the reason being that he might be called upon to rule on the irregularity of petitions.

Beauchesne's tells us in citation 689 that when the Speaker's constituents ask him to present a petition in the House of Commons on their behalf:

> —he must avail himself of the services of another Member.

Beauchesne's indicates no other exceptions to the rule, whatever the responsibilities of the member, minister, backbencher, or Leader of the Opposition. It is his duty, as an elected representative, to present the petitions of his constituents. It is a duty, not a choice.

The personal beliefs of the member have no connection either with the principle or the practice. If a petition is duly certified by the clerk and signed by the member, it may, pursuant to the Standing Orders, be presented in the House during routine proceedings or filed directly with the clerk. In either case, the presentation is recorded in the *Votes and Proceedings*.

I and other members presented these petitions to discharge our duties to our constituents, whether or not we agreed with the content and irrespective of what is said when presenting petitions under Routine Proceedings or when filing them "by the backdoor" with the clerk of the House.

• (1110)

Mr. Speaker, an article in this morning's *La Presse* quotes the hon. member for Ottawa—Vanier (Mr. Gauthier):

> It shows lack of courage on the part of these ministers to table petitions in the House by the back door, without commenting publicly.

Mr. Speaker, Standing Order 36(7) allows no debate when a petition is presented. The article in *La Presse* continues:

> Mr. Gauthier still wonders whether there are links between these ministers and APEC.

I reject the suggestion that a member shows lack of courage by choosing to submit a petition to the clerk of the House.

In fact, the quickest and most effective way is clearly to use a letter, instead of rising in the House. No one can question my courage on language rights. As Minister of State for Treasury Board, Deputy Leader of the Government in the House and Member of Parliament, I worked hard to pass Bill C-72. Many of my constituents criticize me for this active role. I am proud of it.

I support the linguistic duality of this country. I support it unequivocally. I do not belong to APEC. Furthermore, I deplore their opinions and everything they represent. However, as a member of Parliament, I must represent my constituents. Some members of APEC who live in my riding asked me to table their petition in the House. I did so and this gave the government an opportunity to answer them clearly and precisely.

I do not agree with APEC's opinions, but they have the right to have them presented in the House. And I have the right to decide how to do it without being accused of lacking courage.

I therefore ask my hon. friend to apologize to me and my colleagues.

[*English*]

Finally, in English, just in case I missed something. I want everyone to know something, and I mean this. WASPs have fought for minorities for centuries. We are going to continue that fight. We reject intolerance wherever we find it and we are always going to be there to preach tolerance and to protect the rights of minorities.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a few comments following that statement, which I accept and feel should perhaps have been made some months ago. The whole matter raised by the minister is very important for the House and Canadians who respect not only our Constitution but also this country's official languages. I recognize that the minister has always been honest in dealing with this question and I also acknowledge his ability to rise in this House and maintain his position on official languages.

I must nevertheless tell the House that when a journalist calls us to ask, further to some items published in the press, why a minister did not comment or publicly table a petition, it is a known fact, Mr. Speaker, that in this House—and I am not saying it, it was said long before I did—some hon. members, on fundamental issues affecting them, like official languages in my case or abortion for others—perhaps I should mention capital punishment or other similar subjects that are difficult for many members. These subjects require many of us to make painful decisions that are at times extremely difficult.

I think that the petition's authorship, even if it is signed by members of Parliament, is not the issue. We all know the Standing Orders. We know very well that petitions are usually a collective effort. In this case, the petitions had been organized by APEC, which is known as an extreme right-wing group on official languages and has long been dedicated to eliminating respect for both official languages, French and English, from this country, and making Canada unilingually English. I will fight that concept and I think that the minister will join us in that fight.

That being said, Mr. Speaker, whether we are talking about a petition by APEC or about the goods and services tax, or a petition for or against abortion, I don't think a minister who represents a cabinet that upholds cabinet solidarity, ought to or has the right to say: I am going to file this particular petition with the clerk as provided under Standing Order 35(6). I think the minister made his point, and perhaps when I said *manque de courage*, I was describing what I see as one of the problems some members have with rising in the House and saying: I condemn this policy aimed at killing the concept of official languages, but I table this petition as the member for a riding that contains certain groups which promote certain principles from which I wish to dissociate myself. It takes guts to do that, Mr. Speaker. I have done it before in the House, and the minister has done it often enough on other topics; today, he did it on the official languages issue. I respect him for that because he condemned, before this House, the APEC and what it represents. I am grateful for that, and I think all Canadians owe him a debt of gratitude for this important statement.

However, Mr. Speaker, with the kind of procedure we have in the House of Commons, it is sometimes difficult to keep up with the opinions expressed in petitions that are tabled through the clerk. When a petition is tabled openly in the House, everybody knows about it. It is in *Hansard* the next day, and everybody knows that peti-

tions were tabled. In fact, members on all sides of the House have tabled petitions on the official languages issue, APEC and Bill 178 in Quebec. However, I feel that the minister, as the Leader of the Government in the House of Commons, did not entirely discharge his duties as a member of cabinet when he omitted to mention, although he was acting within the Standing Orders, that he was not at all associated with this petition. I agree the minister had the right to lay the petition on the Table of the House. However, I also feel that the minister should, from time to time, rise in the House and condemn this group that wants to destroy my country. I say this very seriously, Mr. Speaker. This group should be condemned by all members of this House. This is important to me.

To get back to the question of our parliamentary democracy, it is true that our system allows any group to table petitions in this House. It is a right that Canadians have had for many years. I don't contest that. However, a petition always contains a prayer, and that prayer reads as follows: "The petition of the undersigned, residents of Canada, who avail themselves of their ancient and undoubted right to present a grievance common to your petitioners, in the certain assurance that your honourable House will therefor provide a remedy".

Mr. Speaker, the petitioners, the people who signed the petition the minister tabled, have the certain assurance that the government or Parliament will provide a remedy for their problems. What does that mean, Mr. Speaker? It means abolishing official languages in this country. It means proclaiming this country to be a unilingual, English-speaking country Mr. Speaker, I am not prepared to do that. And I don't think the minister is either. That is why I said that this roundabout, under-the-table way was not the right way, and I condemn the APEC. In concluding, I would like to repeat that if the minister felt hurt because I said that he lacked guts, he and his colleagues, I maintain this is not unparliamentary. Guts means rising in the House like he did today, and I thank him for it. It meant rising and condemning the group on whose behalf he tabled a petition in the House.

• (1120)

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I would just like to add a few words to the comments made by my colleague, the Minister of Justice.

[*English*]

Mr. Speaker, the two articles in question have raised considerable concern for a number of us. The first appeared in *La Presse* on Saturday, the second appeared today.

The clear implication of those articles was that members of Parliament, in exercising their right and their responsibility to table petitions on behalf of their constituents, in the act of tabling those petitions, somehow indicate that they support the content of those petitions. Nothing could be further from the truth.

I think it is appropriate that we should use the vehicle of the question of privilege to, first of all, make it clear that those of us who have tabled these petitions in no way endorse their contents. I am not a supporter of APEC; I have not been a supporter of APEC in the past; I will not be a supporter of APEC in the future.

I would think that in 17 years in Parliament one develops a record which can be consulted by anyone who wishes to do so, in terms of the votes that one takes in Parliament, in terms of the positions that one takes in one's constituency and across the country. I think that, in the course of those seventeen and a half years that I have been privileged to serve in Parliament, I have developed some reputation for a belief in the preservation of rights across Canada, the belief that we should all fight against intolerance in whatever form, and the belief, as well, that all Canadians are entitled to the right of freedom of speech.

My practice, during the years in which I have served as a member of Parliament, has been to table petitions in the House of Commons which are presented by my constituents with the request that they be passed on to Parliament. I fully concede this fact up front; nothing in the rules requires that a member of Parliament discharge that moral responsibility anymore than anything in the rules requires that a member of Parliament vote in this place, or that a member of Parliament speak in debate,

or that a member of Parliament discharge the many other responsibilities that he or she has. One of the most basic and fundamental rights for which people have fought and died is the right of freedom of speech. And the right to petition Parliament is a direct extension of the right of freedom of speech.

I do not believe that any of us has to say that we endorse everything that is said whenever someone exercises his or her freedom of speech. But, I think everyone in this House must surely accept the principle of freedom of speech as being sacrosanct. The principle of the right of citizens of this country to petition the Parliament of Canada must also be sacrosanct.

In the article in *La Presse* the journalist takes a good deal of time speculating as to whether those members of Parliament who table petitions support the contents of the petitions. The reporter had lots of time for doing that. What he did not have time to do was to bother to ask any of the members of Parliament in question what their position was.

I received no telephone call from that journalist before he wrote his article. Had he called, had he asked whether I supported APEC's petition, the answer would have been unequivocally "no". But, the journalist did not take the trouble to bother to find out. Instead, he simply speculated.

In the Saturday article there was a disturbing, unattributed quotation referring to *fonctionnaire de la Chambre des communes*, saying that members of Parliament typically would not table petitions with which they disagree. The individual who is alleged to have made that quote is not identified and I do not think any purpose is served by our trying to search him or her out. But, Mr. Speaker, I think it would be appropriate for you—

Mr. Speaker: I hesitate to interrupt, but the hon. member referred to an apparently unidentified functionary of this place. I just want to tell the House that that person has not been identified and that person may not exist.

Mr. Beatty: Thank you, Mr. Speaker. I think it is appropriate that you should put that on the record. I think it is also appropriate that when you give your ruling with regard to the question of privilege of my colleague, that the issue of whether or not there is any implication of support for the contents of petitions in the process of tabling petitions on behalf of one's constituents, that that issue should receive a clear decision by you and a clear guidance for the people of Canada as to whether any such implication is correct or justified.

The member of Parliament for Ottawa—Vanier attacks the Minister of Justice or attacks the Minister of Energy or attacks me for a lack of courage in tabling these petitions and not getting up on the floor and saying, "I'm tabling these petitions, Mr. Speaker", and then breaking the rules by saying, "However I do not agree with the content of the petitions that I am tabling".

He was mute with regard to the petitions that were tabled by members of his own party. The documents of the House show that similar petitions were tabled by all three parties, as is their right and, I believe, their responsibility on behalf of their constituents. The hon. member for Ottawa—Vanier made no effort to address that fact or to speak to the members of his own caucus if he believed that there was some grave lack of courage involved here.

The hon. member for Leeds—Grenville is listed in the records of the House as having tabled some petitions, as are the hon. members for Prince Edward—Hastings and for Northumberland, among others. Members of all three parties have tabled similar petitions. In no way does the act of tabling a petition imply that the member of Parliament who allows his or her constituents to petition Parliament necessarily supports the contents of a petition which is tabled in Parliament.

What particularly concerns me about these articles which were exceptionally unprofessional, and that by implication suggested things which were simply untrue, is that this is a time of considerable linguistic tension in Canada. All of us in Parliament on all sides of the House and outside of Parliament have a responsibility to foster tolerance and understanding. All of us have an obligation to try to promote the unity of Canada. All of us have a responsibility to try to ensure that when we make allegations or suggestions that they are well-founded and based on fact. These two articles in *La Presse* did not meet that test. What they did was divide Canada at a time when Canadians should be united.

Finally, I would make two points with regard to the practice that is followed here. The first is that had the journalist in question bothered to check the record he would have been able to check other petitions that I have tabled during my time here in Parliament. He would have found, for example, that I have tabled petitions on abortion, an issue on which I hold very strong views and on which there is a bill before Parliament at the present time. I have tabled petitions which do not necessarily accord with my point of view on abortion.

I have attempted as well to table a petition in opposition to the goods and services tax. My support of the goods and services tax is well known. I am a minister of the Crown and my very membership in cabinet requires full support of all of the government's programs. Yet I sent to the clerk of petitions, as I believe is appropriate, a petition drawn up within my own constituency in opposition to the goods and services tax. It was rejected by the clerk of petitions because it was not drawn up in the right form. But the intention was there to allow my constituents to petition Parliament whenever they believe that they have a grievance that should be redressed.

The Minister of Justice and government House leader on behalf of the government responded, rejecting APEC's petition. That point should not be lost on anybody here—the government made a formal response to the APEC petitions rejecting the petitions. The *La Presse* article says that when the government House leader responded to it, he tabled the response in an equally discreet way, ostensibly one assumes to avoid anybody noticing that he had tabled a response. That is the only way in which a response can be given to petitions. It is the way in which a response is given daily to petitions. To suggest that there is something surreptitious or sneaky about tabling a response to petitions, which is the only way in which it can be done is simply a perversion of the facts.

[*Translation*]

Mr. Speaker, I detest intolerance in whatever form it comes. I have no affiliation and will have no affiliation with a movement that promotes intolerance and fear.

• (1130)

[*English*]

That is my policy in French and it is my policy in English. It is the responsibility of every member of Parliament. As long as I am privileged to serve in this place, my policy will be to promote tolerance and understanding and not fear and intolerance. As long as I serve in this Parliament, my goal as well will be to ensure that the rights of freedom of speech of all Canadians are fully respected.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I want to put a few points on the record today with respect to the issue to which my colleagues the Ministers of Justice and National Health and Welfare have referred. The point that has to be mentioned here is that one has as much credibility in this House and in the country with respect to national leadership as the integrity with which one's words are taken and respected on both sides of the House.

We have partisan differences in this House, that is what this place is all about. On the other hand, there is always a deep understanding, which I have always appreciated in the 17 plus years that I have been here, that we respect the manner in which members deal with tough and difficult public issues and also their attempts to forge national unity.

Having said that, I want to make a couple of points. I will not repeat the legal arguments that my House Leader put before the House. I think those are quite clear. We understand them also from the House rules.

Second, we all recognize that since the earliest days of Parliament, going back to King John, the people had the right to petition the King, or as our modern expression is, the Parliament, and in our case the Parliament of Canada. That is my responsibility as a member of Parliament.

Having said that, and as the Minister of National Health and Welfare also pointed out, in fact, there have been petitions presented to me on the pro-choice side of the abortion question. I do not think I have to convince anybody in this House of my position on that issue, that being pro-life. But I had a responsibility in respect of the people in my riding, who do not universally hold the view I have on that subject, to present the petition.

I want to go back just a bit to the time, Mr. Speaker, when you and I came into this House in 1972. In 1972, we had a minority. There was a difference of two seats in 1972. There was a resolution on reaffirmation of the Official Languages Act of 1969. I know the House Leader of the Liberal Party will recall that period. Those were periods of fairly difficult tension in respect to language. I remember the then Minister of Transport, the late hon. Jean Marchand, making a very impassioned speech from his seat in regard to the need for parties from both sides of the House to always keep in mind that our single responsibility, regardless of our partisan differences, was the unity of the country. That was a speech that obviously left an impression on a very young member of Parliament over all these years.

There was a vote in this House at that time on a resolution. If memory serves correctly, there were eight members from my party, from my province in this House. It was the only province from which the majority of members from one party, from one province, voted against the resolution. I voted for that resolution in 1973.

In fact, if I can be very personal for a moment, because of the minority situation at the time there was a member of my party whom I will not name, who later became a member of the Liberal party, who came into my riding to try to find a new member to contest the nomination, because of my support for bilingualism and for minority language rights in the province of Manitoba.

I say that simply because I think it is sometimes important to have the historical record in terms of continuity in respect of this issue. This is an issue which, I believe, goes beyond partisan differences.

I think we in this House all recognize that when we have petitions to present it creates a difficulty, not only for a member of Parliament but particularly for a cabinet minister, because you are both a member of Parliament and a cabinet minister. You have to respond to both roles and both functions.

With my staff in my office I looked at this petition and discussed whether I should present it in the House and make a statement and whether, in so doing, I would give this group in my riding the very publicity it craves, publicity which I was not going to give them. That was one issue I had to deal with and it was for that reason the petition was presented that way.

I would like to make one last point, Mr. Speaker, or perhaps two if you allow me the time, because I know you take this issue very seriously. I was first made aware of this on Sunday through an article in *La Presse* and there is an article today in *The Sun* chain by Michel Gratton. He makes the statement:

> They seem to think it was their democratic duty to their constituents.

That is to file petitions. Yes, Mr. Speaker, that is my democratic duty. Not only is it my duty, it is my responsibility even if I disagree with what is in the petition. More important, he says:

> I fail to understand what pushing something you don't believe in has to do with a politician's duty.

My second point is that all of us have presented petitions in this House signed by constituents, with which petitions we fundamentally disagree.

> As a matter of fact, there seems to be a contradiction there. We don't elect fax machines or mailmen. We like to believe we elect people who stand for something and are not mere vehicles for what any extremist pressure group wants them to do.

We also do not elect writers, we do not elect editorial writers, we do not elect people who can get on television or, for that matter, who have licences from the CRTC. We have public responsibility through that licensing process. We have another responsibility as members of Parliament to present the views of our constituents no matter how wrong we believe those views are.

I would like to take just another moment. I went to my records this morning because I wanted to see whether I had been true to the words I was going to use in the House of Commons. I have a letter dated November 24, 1989, which is signed by my special assistant in the riding that was addressed to the people who had demanded that I make a public statement in the tabling of this petition. I am willing to table these letters. I have as well the record of the House of Commons which, of course, everyone can read. More important, there is a letter dated October 5, 1989, and, because this matter has become public, I will do something that I do not do very often. I will make public a letter between a member of Parliament, a cabinet minister, and a constituent.

It is addressed to Mr. and Mrs. Tom Joyce, R. R. 1, Steinbach, Manitoba, R0A 2A0. In fact, the irony of this thing is that while that is an address in my home town the community that they live close to is a place called Giroux in the rural municipality of Ste-Anne-des-Chênes. That may gives members of this House a little glimpse of what we all face in our own constituencies.

I will not go into detail. He and she go into the matter of the CF-18 and the CF-5. I know members of the House know about that. They write about VIA Rail. I would like to read selective paragraphs only for the purpose of this debate and if people want to see this letter they can do that, even with the conditions I made earlier. I said this:

> VIA Rail is a prime example of Quebec not being favoured when hard decisions must be made. There will be 227 people laid off in Manitoba because of VIA cuts. The province of Quebec will lose 1,000 jobs with 631 lay-offs in Montreal alone.

Then it goes into the Manitoba issue and the last part of the petition:

> In your letter you accuse the government of not only giving lip service to the issue of minority rights but specifically in Quebec. The Prime Minister has objected to Bill 178 in terms as strong or stronger than Alberta and Saskatchewan and passed legislation affecting francophone rights in those provinces. In your letter you called for less talk and more positive action. In my view one positive step that can be taken on a personal level is learning more about the situation on minorities and the history of francophone rights in Canada. This would lead to greater understanding and reduced linguistic tensions. As you are not satisfied with the position of the Government of Canada I am asking for your suggestions as to what positive action should be taken. What would you like to see done? When answering this question keep in mind two key points: One, I do not consider a boycott of Quebec products to be positive. Traditionally the federal government does not punish provinces, fiscally, financially or legally, for passing legal legislation the government does not support. Two, the actions of Quebec, Alberta, and Saskatchewan, while regrettable, were legal. The Canadian constitution has a notwithstanding clause that allows provinces to override the Charter of Rights when deemed necessary in the provinces view.
>
> In conclusion the federal government continues to oppose the violation of minority rights everywhere in Canada.

Mr. Speaker, I cannot put it any clearer in the House today than I did in that letter of October last.

• (1140)

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to intervene briefly in this matter. I want the House and all of Canada to know that this matter goes beyond the case that has caught the attention of the House and extends to the manner and circumstances in which petitions are presented to the House of Commons.

I want, first, to draw your attention to an incident that took place in the House last Friday, February 9, 1990, and involved the member for Esquimalt—Juan de Fuca and the member for Calgary Southwest. I am sorry, in view of the discussion today, that I did not rise on a point of order at that time. As became apparent as reported at page 8144 of the official report, *Hansard*, the exchange speaks for itself, but it bears repeating.

The member for Juan de Fuca said, and it was later apparent that he meant the member for Calgary Southwest:

> You cannot even accept the fact that some people who wear turbans are Canadians. I find that disgraceful. I will not even deal with that.

The member for Calgary Southwest denied emphatically that she had ever indicated that that was her view. It appeared then that the member for Esquimalt—Juan de Fuca was relying on a petition that the member for Calgary Southwest had presented on another occasion, and an argument ensued about presenting petitions.

Once more, we are the author of our own misfortune in the House of Commons. We have enacted and passed rules that are difficult to interpret, and I can understand why the media has some difficulty.

Members of Parliament have been presented with a form emanating, I understand, from the clerk of petitions. That form states very clearly in the notations that a member of Parliament cannot be compelled to present a petition. The form further notes that the fact that a member presents a petition does not imply that he or she endorses its contents. I think any member who reads that form is entitled to rely on that statement but, notwithstanding, that statement is contained in a form issued by the clerk of petitions of this House of Commons.

The rules of the House state, and I refer to Standing Order 36(3):

> Members presenting petitions shall be answerable that they do not contain impertinent or improper matter.

A member is required to endorse his or her name on a petition. So, we create a confusion as to what is the status of a member when presenting a petition. On the one hand, there is no endorsement of the contents. On the other hand, it is said in the Standing Orders of the House that a member is responsible for improper matter in a petition.

I think we have created this difficulty, because the nature of a petition and the right to petition belongs to the petitioner, the Canadian subject, the citizen. The member of Parliament is only the instrument for the presentation of the petition. I do not see how any common sense can be made of requiring a member to endorse the contents of a petition. It takes away from the right of Canadians to petition the House of Commons if you make it a condition of that presentation that the member must, somehow, connect himself or herself to the contents of the petition by way of endorsement or otherwise.

I hope you will take this matter carefully under advisement, review the form that has been provided by the clerk of petitions, and review Standing Order 36 and particularly subsection (3) in the context not only of the case that is presented today but the context of the allegations made by the member for Esquimalt—Juan de Fuca. And I am sure other members have made similar allegations.

I hope, Mr. Speaker, in considering the rules and the forms that have been presented to us that you will come down on the side of the citizen and say that there does exist an inherent right of all Canadians to petition Parliament and that the role of the member of Parliament should simply be that of presenting a petition without comment, endorsement or otherwise.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take only a few minutes to add a few words on the very important point that was raised this morning.

First, Mr. Speaker, I guess you will be called upon to decide whether the issue should be referred to the parliamentary committee in order to determine whether changing our Standing Orders would be necessary in order to clarify what, in fact, the duty of the member is in such instances.

Our rules at the present time are somewhat vague in that regard. Perhaps that is the strength of the rule that exists. It allows members of Parliament to make a decision according to his or her own conscience whether or not they will present a petition with which they agree, present a petition with which they disagree and believe in their own conscience it is their duty to do so, or feel so strongly opposed to the subject matter in question as to refuse to present the petition altogether.

I suppose each and every one of us has to make those kinds of decisions all day long when we are defending constituents, be they constituents with an unemployment insurance problem or any other kind of problem that we are called upon to rectify from time to time for those who have sent us here on their behalf.

In similar manner, rules are designed, I would argue, to reflect that in regard to petitions. In other words, we can make those kinds of decisions of conscience to which I was referring a while ago.

Our petition form, Mr. Speaker, which our rules provide for us, refers to the ancient and undoubted right to petition Parliament. Clearly, what is insinuated here is if a person has a right to petition Parliament, obviously Parliament has an obligation to receive the petition, and in order for Parliament to have that obligation to receive it, I think one can safely deduce that the parliamentarian in question has the same duty to present the petition in question.

I have in the past presented petitions with which I disagreed. In the Ontario legislature, where I had the honour and privilege of serving prior to coming to this House, I have upon occasion stated publicly while presenting a petition, albeit briefly and without presenting argument, that I was presenting a petition signed by so many constituents with whom I disagreed, and so on, and described the petition. I did not make an argument as to why I disagreed with it but merely stated so in one or two words. The point is that I felt this was a happy medium between my fulfilling my duty as a member of Parliament on the one hand and, of course, making it quite clear that I did not necessarily endorse the petition that I was presenting.

That, I believe, is the issue before us today; whether or not it is our duty to present petitions. I do not suppose we will solve that situation today, but I would argue that perhaps we should not, perhaps that issue should be left to the conscience of individual members.

I would argue, though, that all members of the House should reflect upon whether or not it would be appropriate for them to state briefly, and in the manner that I have indicated before, at the time they are presenting petitions, that they do not agree with the petition if they feel that the disagreement is so profound that they must say so. Of course, they would do that without presenting argument in order not to deviate otherwise from the rules at our disposal.

The fact that Mr. Speaker himself cannot present a petition but can ask a colleague to do so, I believe, is a demonstration of the fact that if the Speaker is presented with a petition the rules indicate that it would be Mr. Speaker's role to ensure that the petition is presented. By extension, it would be, I believe, the duty of the parliamentarian who was requested by Mr. Speaker to do so himself or herself after having received that request from the Speaker. That is a further illustration of the fact that the parliamentarian does not necessarily indicate support for the petitions.

In regard to presenting petitions, perhaps our role, to a degree, is that of a messenger. It is said that we should not shoot the messenger because the messenger does not necessarily agree with the message that he or she carries. Perhaps this is an example of that.

• (1150)

However, because of our duty of leadership in this House, as well as our duty as representatives, I think it would be important if we were provided with some mechanism by which we could, without debate, when we disagree with an issue to such a point that we feel it is in our interests, in the interests of this House and that of our country, I would argue in the present case, make that case very briefly.

Perhaps the other lesson to be learned from all of this is that in an issue as fundamental as this one we all, collectively and individually, should use every occasion to indicate our support for the linguistic duality and the national unity of our country. It has been said that all that is needed for evil to triumph is for good people to do nothing.

I am not suggesting that the three cabinet ministers in question failed to do something which they should have known to do. Rather, sometimes as parliamentarians we seem to take things for granted such as the recognition of that linguistic duality and other privileges and rights that we enjoy as citizens. Maybe we should never take those privileges and rights for granted.

I am not sure whether all of this constitutes a question of privilege but I want to leave you with one last remark. Perhaps I could get the attention of the three ministers in question. There may be something in the article signed by Mr. Michel Gratton that has been missed in all of this. The last line of the article reads:

> Well, all I have to say to this timorous trio is: Next time, if you really want to hide, put some hoods on.

I feel that that is a very offensive comment and if anything in this constitutes a question of privilege, that is probably the statement, more than anything else that has been said this morning.

This is not attributed to anyone else. I am saying that references which I interpret to be to the Ku Klux Klan are very offensive to all of us. Notwithstanding partisan disagreements which we may have, I invite colleagues to think about that particular statement in the article in question because I think it is more offensive than anything else that has been discussed in this debate.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I rise to say a few words on this very important issue. I have asked myself why we have taken nearly an hour of time this morning to reflect on this issue. I think it is important. I have listened with interest to all the interventions and I find myself agreeing with most of the comments made today.

I must say that one of the times that I feel best in this House is when we are discussing, either in this way or in some other way, what this country is all about, the need for all of us to work together to preserve the unity that we know can exist in our country and to speak out against forces that cause rifts regionally or between cultures and peoples and, in this case of course, linguistic minorities.

I am pleased to listen to the elevated debate taking place today on this point of privilege. I am pleased that you have allowed us to go on at some length on this most important matter. That is the reason we have gone on. I do not have much to add to the points made by my distinguished colleagues other than to say that when I read both of those articles over the last few days, I was disgusted with the tone. I reflected back, when I read the articles, on others in the House who have raised similar petitions, exact petitions in terms of the source. I suppose the fact that most people dissociated themselves

with the theme of the petitions rescued them from this particular journalist's wrath.

We all recognize that we can file petitions which indeed we have a right to do, and which the ministers referred to in the article did. Or we have the right to present petitions and most often petitioners from my constituency ask me to present their petitions in the House of Commons. Most of the time I do that enthusiastically because I agree with the thrust of the petition. However on occasion I have not. At that time I have simply dissociated myself with the point or points being raised in the petition and went on to present it. Surely, as a previous minister indicated, one of the most fundamental rights of a citizen in our country is to have his or her view presented on the floor of the House of Commons when the request is made to the member of Parliament.

Earlier some comments were made in then House by the hon. member for Esquimalt—Juan de Fuca. If we are to pursue I would certainly ask that we do it when the hon. member is in his place, to allow him to respond. I was here and I do not believe that what the hon. member indicated took place actually took place at all. However, that is for another time.

I simply would like to conclude by saying that we must uphold the right of all citizens to present petitions through their members of Parliament in the House of Commons but also to guard against using these times, when we are dealing with such sensitive issues in terms of nation building, to allow our partisan instincts to come to the fore. I have deep concerns over the points being raised by my hon. friend, the government House leader, on this case. However I suspect that you have heard enough now, Mr. Speaker, to make a ruling as to whether or not this is a question of privilege.

I would simply like to add that we have taken an hour of the time of an opposition day. I would like to think that we can at least add this hour to the end of the day. This is an extraordinary question of privilege and I would ask that at some later time that point be considered.

[*Translation*]

Mr. Speaker: First, I am in total agreement with the Minister of Justice (Mr. Lewis), the other minister, the hon. member for Ottawa—Vanier (Mr. Gauthier) and other members that the subject considered today is very important. It is not only important for the procedure of this place; it is also very important for our country's unity. Again this morning, we heard statements about this House and against some attitudes that we have today and we also had in the past from some citizens in our country.

I greatly regret the situation, but it is clear that this House is unanimously against such statements and there is consensus to take the leadership positions required for our country to continue, to maintain Canadian unity, an attitude, a place where the rights of all Canadians are respected.

[*English*]

Having said that, I am going to take under advisement some of the issues that are raised here. I am mindful of the request of the hon. member for Kamloops that I consider carefully the matter raised by the hon. member for Halifax West. I will do that.

I want also to note, in addition to what I have said about the declarations on both sides of this House, that our colleague, the hon. member for Ottawa—Vanier, has today saluted the courage and the forthrightness of the ministers who were the subject of these articles.

I am concerned about the articles, and I am going to be very careful before I return to the House with some comments which will probably have to be made. I will try to do everything I can to put them in a way which will be helpful to the challenges that we face in trying to keep this country together. I thank hon. members for their interventions.

ROUTINE PROCEEDINGS

• (1200)

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 151 petitions.

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

MINING

MINERAL RIGHTS OF YUKON LANDS

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, there has been a challenge to the effectiveness of certain land withdrawals in the Yukon which could seriously undermine the government's ability to manage Yukon lands.

Consequently I am announcing today that the government is bringing forward legislation to amend the Yukon Quartz Mining Act and the Yukon Placer Mining Act. It will firmly establish the Crown's right to prohibit disposition of mineral rights on Yukon lands which are required for a purpose that the government believes to be in the public interest.

This legislation, if passed by Parliament, will be retroactive to this day. The government's action will assure that withdrawn lands, including lands identified as being of interest to Yukon Indians, will not be open for location of new mining claims.

I am making this announcement to ensure that the mining industry clearly knows which areas are open for staking and exploration.

The mining recorders in the Yukon maintain records of the areas withdrawn from disposition. Persons who intend to stake mining claims in the Yukon should first contact the mining recorders to determine the status of the lands. I am directing the mining recorders to refuse any application for claim which has been located in an area withdrawn from disposition.

These changes will deal only with withdrawal of lands. There is an urgency to make these technical changes in order to confirm the government's authority to manage Crown lands in the Yukon. This however will not preclude making other changes which have been identified by various interest groups and acknowledged in the northern mineral policy. It is certainly not my intention to introduce significant policy changes without full consultation with all interested parties.

In addition, I wish to make clear that the statements I am making today do not affect the current action in the Federal Court of Canada, namely, *Halferdahl v. M. A. Fish in his capacity as the mining recorder,* et al.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, as I was called upon to answer the minister's statement, I want to express on behalf of the Opposition how offended we are that the usual courtesy was not extended in this case. However, we understand that the minister has been under considerable pressure. We know that he is usually very forthcoming in advancing copies of these statements to us in the Opposition in advance of their being made.

Our critic in the mining area is unable to be here this morning, and the notice was only given to us about 15 minutes ago. All I can say is that we will withhold our comments until we see the bill that the minister will be introducing, which I gather will be in the next couple of days.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I too am in a similar situation. I acknowledge the fact that the minister did not have an opportunity to extend the usual courtesy of providing opposition critics with his statement. However, I appreciate that he at least is of the opinion that he had to act expeditiously this morning before the claims offices opened in the north.

I simply want to make two or three cautionary comments. First, we appreciate the role that mining plays in the Yukon, as does the minister. In his statement he indicated that the purpose of this initiative was to recognize that the government believes there are certain lands that must be protected for the public interest. That is a principle which I and all others in this House would support.

However, not defining what the public interest is and not defining explicitly what is implied by this raise some concerns. I flag those concerns now. I was encouraged when the minister indicated that there will be full consultation with all parties, which of course would include the Government of the Yukon in terms of its reaction, as well as the major players affected by this statement, the citizens of the Yukon, particularly the native people of the Yukon, as well as those involved in the mining industry.

I too would like to withhold further comment until the minister introduces the appropriate legislation, at which time I suspect we will have lots to say.

VICTIMS OF THALIDOMIDE

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, nearly three decades have passed since the tragedy of thalidomide claimed more than 8,000 victims around the world. In Canada, a special commitment was made to thalidomide victims by the government of the day. Much was done by both federal and provincial governments to help meet their needs.

The thalidomide victims have faced a courageous struggle since birth, trying to adapt to and overcome disabling birth defects. Some cannot work or have problems finding jobs. All are reaching an age when they must establish their independence from parents who are growing older. They need extra funds to help pay for special transportation, housing or other needs not covered by provincial assistance programs.

At the time the tragedy occurred, two separate inquiries, a special parliamentary committee and a committee of the Royal College of Physicians and Surgeons, provided recommendations that enabled the government to assist these people and to prevent further such tragedies. This was on the basis of compassion or understanding and not liability. The commitment made by the minister of the day was unique. No similar commitment had ever been made to other groups.

[*Translation*]

Thalidomide victims have to face great challenges and they do so very courageously. For me and my colleagues in Cabinet, there is no doubt that we must help them improve their quality of life and plan their future.

[*English*]

I am pleased to announce today that the Government of Canada will fulfill its commitment made to the thalidomide victims in 1963 by providing a total of $7.5 million to an estimated 75 to 100 people living in Canada who were affected.

[*Translation*]

The $7.5 million will be divided equally among those who suffered injuries due to Kevadon or Talimol, the forms of thalidomide prescribed to their mothers during pregnancy. Payment will be made to each eligible recipient in two equal annual tax-free instalments. Those concerned will have one year starting today to prove their eligibility.

[*English*]

I would like to assure everyone that the funding I am announcing today is over and above the settlements the victims received from the manufacturer of thalidomide and will not be taken from federal-provincial programs which help these disabled Canadians.

Canadians are proud of our social programs. They are proud of the fact that we try to care for those who are less fortunate, and they see it as one of the elements which distinguishs us from other countries. I believe that by announcing extraordinary assistance for people who have faced a genuine hardship, this government is showing that it supports this tradition.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I begin by congratulating Mr. Randy Warren as well as Cliff Chadderton of the War Amputations of Canada, as well as the gentlemen who headed the task force on thalidomide victims. These individuals and their organizations have exhibted over the years great enthusiasm, as well as providing hope to their members.

Today, what I think we see is a realization of that particular objective in that the Government of Canada has accepted in whole the principle of compensation for these particular victims.

I am sure that the minister would want to join with me in congratulating the organization and all those individuals who have worked with him over the years in order to arrive at this particular day in terms of accepting of the principle of compensation.

The amount of money which has been put forward, amounting to $7.5 million, has not been fully accepted by the thalidomide victims and their organization. The Minister is well aware of that. I believe, and I am sure the Minister would want to echo my sentiments, that this is certainly a good starting point in terms of further negotiations which will take place over the next number of months. I am sure if there are any ways in which things can be changed to better the victims and their plight in life that the minister would want to co-operate in

whatever that might be, for example, monthly payments as opposed to annual payments, or whatever.

This particular issue has been around for almost three decades. It is ironic that last February 14 a report was tabled with the minister recommending compensation for these particular victims. I am happy to see that the Government of Canada has responded, not as quickly as I had hoped, but has responded favourably in terms of recognizing the principle of compensation.

I hope that it will proceed forward and meet with those representatives and meaningfully discuss ways to ensure that the compensation goes directly to the victims in a way in which they believe to be appropriate and responsible.

• (1210)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I respond to the minister's statement today with mixed feelings. I wish to recognize the fact that the minister has indeed made an offer after three decades of lobbying in a courageous struggle on behalf of those people who suffer the ill effects of thalidomide. The War Amputations of Canada has represented these people in their lobbying efforts.

Finally, today, we have the beginning of a resolution. I applaud the minister for taking that initiative. I want to emphasize that while we in the New Democratic Party join with the War Amps people and all those involved for so many years in welcoming the news today, we recognize that it is still an offer. We recognize that there is still lots of work to do. The minister, I am sure, will now go back to the task force to seek further refinements on how the money will be most appropriately disbursed.

I ask the minister to bargain in good faith with the thalidomide task force that is seeking these refinements. We all appreciate what people have had to experience for so many years. Now is a time to show good faith and a strong will to end this process expeditiously and to determine a final resolution to this long-standing grievance as quickly as possible.

While we welcome the news today, we recognize that we still have work to do. We join with the others in recognizing the legitimacy of the claims, which has been an important step taken by the minister. To recognize that appropriate redress made on behalf of the thalidomide victims, as argued by the War Amputations of Canada, is an appropriate initiative now. We join with the minister in urging an expeditious end to this long, difficult and courageous process.

The Acting Speaker (Mr. Paproski): The hon. member for London—Middlesex on a very short statement.

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I too want to congratulate the government on finally addressing this issue.

I want to congratulate Randy Warren on his efforts as a thalidomide victim. Through first-hand experience Randy has fought for this and I would like to congratulate him.

The Acting Speaker (Mr. Paproski): I regret that I cannot allow the hon. member to make a statement.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, I wish to table a report on behalf of the Canada-Europe Parliamentary Association.

Very recently in France a preparatory meeting was held to conclude negotiations.

[*Translation*]

Mr. Speaker, I would like to announce the Seventh Parliamentary and Scientific Conference of the Council of Europe, to be held in Ottawa from June 11 to 14, 1990, under the auspices of the Canadian Parliament.

[*English*]

This conference—and I urge all my colleagues to join in—will focus on the environment. Some 250 of our colleagues from 30 countries around the world will be attending. For the first time parliamentarians from Hungary, East Germany and Poland will join us as we attack global environmental problems and will show what democracies can and should do as they develop strategies to solve them in the future.

As well team Canada for the environment will include our colleagues here, as well as ministers, leading indus-

trialists, municipal leaders and our top scientists. Join the exciting environmental team Canada in June.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to present a petition pursuant to Standing Order 36. It is signed by a number of Canadians who want the Government of Canada to withdraw its proposed goods and services tax.

ROUGE RIVER VALLEY

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am delighted to present to the House of Commons today a petition concerning the Rouge River Valley in Scarborough, part of metro Toronto. It is a beautiful 10,000 acres of land with respect to which the petitioners are calling upon Parliament and the Government of Ontario to preserve as a park.

The Save the Rouge Valley Organization, a volunteer organization, is holding its annual meeting tonight in the Civic Centre in Scarborough. I will be there, as will hundreds of others, to give the message that the Government of Canada and all members of the House of this great Parliament have endorsed the preservation of this valley. We are waiting on the Province of Ontario to come to the same conclusion.

I am pleased to present this petition today concerning the preservation of the Rouge Valley.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition on behalf of a number of residents of Pont Lafrance in New Brunswick. The signatures on this petition have been collected by my colleague, the hon. member for Gloucester, and Pont Lafrance is in his constituency.

These Canadians join millions of others who are outraged at the government's proposed goods and services tax. They have taken the trouble to sign this petition to call upon Parliament to reject the tax.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I have two petitions to present to this House. One is signed by a number of Canadians who are opposed to the GST. They call upon the government to withdraw this unfair tax immediately.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I also have a petition presented to me by a number of farmers from Saskatchewan who are very concerned over the future of the Canadian Wheat Board.

They indicate that they are very upset and dismayed that the government did not consult with them concerning the removal of oats from under the jurisdiction of the Canadian Wheat Board.

They call upon this government to replace oats under the jurisdiction of the Canadian Wheat Board and to give oats the same protection that wheat has under the Wheat Board Act.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my duty to present a petition once again, for I don't know how many times, against the government's goods and services tax.

Its signatures were collected by constituents from Heffrey Creek, Raleigh, Dallas, Barnhartvale, Rosehill and Valleyview.

The petitioners point out that the goods and services tax is grossly unfair, particularly to western Canadians where transportation costs are built into the cost of virtually every good that they purchase. They list a number of services that will now be taxed at 7 per cent which are presently untaxed.

They make the point that they simply cannot go on paying taxes at this level and ask that the Parliament of Canada try to convince the government to back off with this very punitive, cruel, mean tax.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table in the House a petition that has been certified correct by the clerk as to form and content.

Mr. Speaker, the people of Sainte-Cécile, Petite-Rivière-de-l'Île, Shippegan, Lamèque, Inkerman, and hundreds of residents in my riding strenuously object to the goods and services tax and ask the government to withdraw this disastrous proposal that will have a negative impact on the economy of the Acadian peninsula in the riding of Gloucester.

[*English*]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mr. Paproski): Shall all be allowed to stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It is my understanding that there were to be arguments today with regard to the question of privilege raised by the hon. member from Moose Jaw—Lake Centre. Is the hon. member for Kingston and the Islands and the hon. parliamentary secretary ready for their arguments?

* * *

• (1220)

PRIVILEGE

REMOVAL OF AT AND EAST PROGRAM

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the hon. member for Moose Jaw—Lake Centre, in his very ably argued question of privilege yesterday, raised a matter which has been before this Parliament before. Because of the adjournment of the discussion which was sought and obtained yesterday by the hon. parliamentary secretary, I was able to review some of the precedents that I think are relevant to assist Your Honour in reaching a decision on this important matter.

It may be that we could obtain the agreement of the House on it. Perhaps the parliamentary secretary, when I have completed my remarks, will find unanimous agreement to treat this as a breach of privileges of the House and to refer the matter to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business with a view to having it discussed and settled there.

The point raised by the hon. member for Moose Jaw—Lake Centre deals with the fact that a bill has been introduced in this House which purports to be retroactive in its application, but the government has proceeded to treat the bill as passed and has refused to pay out money it could pay out under the existing legislation, under the Railway Act, to persons who apply for this subsidy or payment for the shipment of grain to eastern ports.

A similar situation arose in 1971. Mr. Stanley Knowles, who was then the hon. member for Winnipeg North Centre, raised a question of privilege on September 13, 1971 in relation to a government bill which dealt with the matter of the Canadian Wheat Board. The Wheat Board was doing the same thing that the government is currently doing with this legislation; that is to say, a bill had been introduced in Parliament that was to be retroactive in its effect, but the Wheat Board treated the bill as passed and was refusing to make the payments.

The hon. member as he then was raised this question of privilege and said, as reported on page 7737 of *Hansard*:

> My question of privilege relates to the non-payment of moneys which it is specified in the Temporary Wheat Reserves Act are to be paid by the Minister of Finance to the Canadian Wheat Board; and, more particularly, the action of the government in telling this House that the reason it is not carrying out the provisions of the law is that it has a bill on the order paper.
>
> I submit that anything which in a court would be regarded as contempt can be regarded as privilege in this House. I further suggest that when the government admits to Parliament that it is not carrying out the law and tells Parliament the reason it is not carrying out the law is that it has a bill on the order paper to rescind that law, a bill which has not yet been passed, then the rights and privileges of Parliament are being affronted.

On page 7738 he went on to state that the bill had not been passed and said:

> One other point I cite in the list of facts is that Bill C-244 has not been passed and therefore authority to act on that basis has not been established by Parliament.

That is exactly the situation we are facing today in this House. He went on to state:

> The point I am making is that the place for us to deal with a matter like this and what has been done to us is here on the floor of Parliament. What has been done to us is that we have been told that, although we have passed a law and although it is there and is clear, the government feels it does not have to carry it out because of this other provision, an unpassed bill which it has on the order paper.

What Mr. Knowles described was exactly the situation that we are faced with today. The Speaker on that question of privilege made a ruling. I will invite you later,

Mr. Speaker, to consider that ruling. He ruled against Mr. Knowles' question of privilege, but I shall return to that later.

Subsequently, because of this outrageous conduct on the part of the then government, the hon. member for Calgary North sought and obtained leave to have an emergency debate on this issue.

If the Chair feels this is significant, I am quite prepared to bring an application for an emergency debate tomorrow to discuss this matter further, subject to what we hear today from the parliamentary secretary.

Clearly the complaint today is as outrageous as the complaint. I know that the Speaker would want to follow the ruling of the previous Speaker in this respect and permit an emergency debate should it be necessary. I hope it will not be.

Mr. Woolliams, the hon. member for Calgary North at the time, said, and I quote from page 7890 of *Hansard* for September 16, 1971:

> This debate poses the rhetorical question: Is this institution of Parliament, which includes the House of Commons, the Senate and all the law-making processes, to be one that will be controlled by the executive?

That is the point of our question of privilege today.

That emergency debate revealed the most amazing speeches. I have found a veritable gold mine of assistance for Your Honour in it. Probably the most important statements were those by the now Minister of Agriculture who was then the hon. member for Vegreville. I gather he is still the hon. member for Vegreville, but he is now the Minister of Agriculture and Deputy Prime Minister, and a very distinguished member, one whom I know on procedural matters Your Honour would take as a great authority.

I would like to read from page 7902 of *Hansard* because I think his words are extremely helpful in considering this point today:

> Mr. Speaker, in this debate we have a very basic and fundamental issue to consider. That issue is the deliberate and calculated failure of this government to carry out its administrative responsibility pursuant to Canadian law.

He went on to state:

> If a question involving the administration of laws created by parliamentary democracy cannot be properly debated, it will be a sad day for Canada, for Parliament and for the system of parliamentary democracy.

Then he went on, and this is great:

> Never have I seen, and never did I expect to see, a government so blatantly and contemptuously refusing to carry out its administrative duty, a duty which is imposed by Canadian statute passed by Parliament, a law which remains in force and will continue to remain in force until Parliament in its wisdom sees fit to rescind it.

These words apply four-square to the situation we are faced with today. I know that if the Deputy Prime Minister were here now, he would stand up and agree with everything that he said in 1971.

Then he went on to state:

> That fact is so elementary that one could never have conceived that this situation could occur. It is a disgrace and a shame. After all, if governments cannot conform with the law, how in heaven's name can anyone else in society be expected to do so?

Imagine, the wisdom of Solomon uttered by the Deputy Prime Minister who went on to state:

> How can society be expected to abide by laws if the government will not live up to them? This fact is so elementary, basic and fundamental that it is completely beyond my comprehension to understand the government's attitude.

Surely in light of those statements, the Minister of Agriculture who is really affected by this bill because it does deal with the shipment of grain and grain products to eastern Canada and clearly falls in part under his departmental jurisdiction would not want to retract those statements made in 1971.

I know that my colleague, the parliamentary secretary to the government House leader, has probably discussed this matter extensively with the Deputy Prime Minister. I think I know what he is going to propose, and I want to say that I quite agree with him.

The ruling of the Chair in 1971 suggested very strongly that this was not a question of privilege then. I say to Your Honour that times, I hope, have changed. Notwithstanding the very able and capable decision from, I believe it was, Mr. Speaker Lamoureux, and notwithstanding the great esteem in which he is held by all members and the authority that his decisions have, perhaps he erred on this occasion.

I would invite Your Honour to so find and in fact find that there is a question of privilege here. It may not be necessary because I know that the hon. parliamentary secretary, in his discussions with the Deputy Prime

Minister, will recognize that the New Democratic Party believes there has been a breach of the privileges of the House in this case.

We on the Official Opposition side will concede that there has been a breach of the privileges in this case. I know that the Deputy Prime Minister agrees, from his statements that there has been a breach of the privileges of this House. He has said that this is a breach, and he knows it is a breach.

• (1230)

I am sure that what we are going to hear from the Parliamentary Secretary is that he in fact agrees with the Deputy Prime Minister, with us, and with the New Democratic Party. By unanimous consent perhaps the hon. member for Moose Jaw—Lake Centre could propose his motion to refer this matter to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business where it could be discussed. Perhaps a little report could be prepared condemning the government for its improper abuse of the laws of this country, and its arrogant and very high-handed approach to this problem could be discussed, voted on in the committee and returned to the House for unanimous approval.

I know that the parliamentary secretary, having read the authorities and having read the arguments advanced by the Deputy Prime Minister at an earlier day, and having recognized that the government has acted in complete contempt of Parliament in this matter, will want to agree. The Deputy Prime Minister's words were: "Never have I seen and never did I expect to see a government so blatantly and contemptuously refusing to carry out its administrative duty".

This situation cannot be distinguished from the earlier case. I submit to Your Honour that the Deputy Prime Minister was right then, and I am sure if he was in his place today, he would agree that he was right. We are taking the same position, so there appears to be unanimous agreement on all sides of the House on this issue. I should say that had I been here in 1971, I expect I would have chastised the government, as did the hon. member for Vegreville at that time.

The point is a very clear and simple one, and that is that the House could proceed unanimously on this item.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I have listened to my hon. friend with great care and I must say that I was almost persuaded by his rhetoric. It was very persuasive and a very well put argument. Unfortunately, once again the rhetoric is very distant and 180 degrees opposed to the facts. He did present an excellent argument. I thank him for that. It was very entertaining and very persuasive. Nevertheless, I know that the Speaker must look at the facts and not the rhetoric.

As I understand the argument of the hon. member from the NDP yesterday, he said that essentially it is unconstitutional for us to cease a subsidy before the appropriate legislation has received Royal Assent from the Governor General. In fact, what is happening in this case is that this particular bill is a direct result of budget measures. It has been done according to a very common practice used by this government and previous governments. It is nothing unusual.

In this particular case, the Minister of Finance announced the end of the at and east grain and flour subsidy when he tabled his budget paper on April 27, 1989. So it was part of the budget process. It was announced at that time. On June 16, 1989, Bill C-26 was introduced and read a first time.

What is really important here is what happened then. The House went on to approve the budget in principle. The House voted on it, made a decision on it, approved that announcement of the minister and what we have flowing out of it is the enabling legislation. That is very simple, very much a fact and not rhetoric. What we are dealing with in Bill C-26 is simply the legislation flowing out of that budgetary decision made by the House of Commons several months ago.

Once again I want to bring to the attention of the House that we have seen the demonstration we see so often in this House, that the hon. member representing the Liberal party has managed to stand on both sides of the equation, but of course at different times.

If we look back to a very good example of a similar piece of legislation, it would of course be the ruling of 1971 which the Speaker made at that time. However, even as recently as the budget debate of June 28, 1982, there was introduction of an act respecting compensation in the public sector of Canada. It was acted upon,

the budget was passed, and later on the legislation was passed.

Let's go back to the facts and not to the very amusing and entertaining rhetoric. The facts say very clearly that, as persuasive as the hon. member's arguments were, it is not a case of privilege. The actions taken on Bill C-26 are in keeping with the House of Commons practice and traditions, and I might say have been acted upon in the most proper fashion by this government, as is our usual standard.

The Acting Speaker (Mr. Paproski): The Chair has taken note of the rhetoric of hon. member for Kingston and the Islands, and also the rhetoric of the parliamentary secretary. The Chair will assess all arguments and return with a ruling. I believe we should end it there and move to Orders of the Day. If the member for Regina—Lumsden has something to add to the argument, I will be glad to listen.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I am sorry to take up the time of my own party on our opposition day. I will be brief.

I remind you, Sir, of remarks I made yesterday on Bill C-26. With reference to the question of privilege raised by my colleague from Moose Jaw—Lake Centre, I know the Chair will examine the precedents with care.

The Chair ruled against the question of privilege raised by the then member for Winnipeg North Centre, Mr. Knowles in 1971, and subsequently the issue was taken to Federal Court. I was very closely and heavily involved with that. In the preliminary hearing before the Federal Court judge in Regina, the Deputy Minister of Justice made his pitch and the lawyer for four farmers who had a direct interest in the matter made his pitch. The judge, in the process of setting a trial date said to the government representative, the lawyer for the Crown, that the government should seriously consider paying its bills. The Temporary Wheat Reserves Act said that the Minister of Finance shall pay to the Canadian Wheat Board such and such moneys for grain in storage in excess of a certain amount.

The government ceased paying those moneys for 18 months. No legislation had been passed. The bill was before Parliament. It was a bill called Lower Inventories for Tomorrow, Operation Lift. Attached to the bill was the repeal of the Temporary Reserves Act.

When the court reconvened for the trial, the attorney for the Crown rose in his place and said that the government had withdrawn the legislation. I was here that night when the then minister rose and withdrew the legislation.

The Government of Canada and the Minister of Finance had to pay almost $100 million owing to the Canadian Wheat Board, which was money that belonged to the farmers of western Canada.

• (1240)

The courts have set a precedent in spite of the ruling of the Chair prior to that occasion. I would ask, Sir, that in arriving at a decision on this, the Railway Act provides for the payment of certain moneys under the at and east freight rate subsidy program. Those moneys have not been paid since last July. This situation, if not identical, is so close to it that it is not worth arguing about.

I would hope in light of what happened in the Federal Court that the Chair will recognize that and rule that the government can continue with its legislation which can take effect on the day set for proclamation or at the time of Royal Assent when it is signed by the Governor General, but it cannot be retroactive, and the government must pay the moneys owing under the at and east freight rate subsidies in Atlantic Canada back to last July. The government owes the money, it should pay its bills.

One correction, Mr. Speaker. My colleague from the Liberal party stated in his remarks that the Wheat Board had refused to pay over the money. That is not correct. The Wheat Board did not refuse to pay over the money. It did not have the money. The government refused to give the money to the Wheat Board so it could pay it out in a final payment to the grain producers. That is the history of that matter. I think it is a precedent.

The only exception would be a budget bill that sets a tax rate starting January 1 and passed in June. That is a precedent that has been long established in Parliament. Therefore, this situation is identical to the one in 1971 and has nothing to do with the budget.

Therefore, I submit that the Chair should rule that the government should pay its bills and that the bill is not in order although the government is acting as though it is already in force, retroactively to last July. Surely there must be something that we can do in this House, that the Chair can do, to make sure that the government obeys its own laws. If we cannot do that, we have anarchy. If we

have to go to court every damn time the government disobeys its own law, what is Parliament here for?

I put that question rhetorically and I urge you, Sir, to give this matter most serious consideration, which I know you will, and I hope rule that the government cannot act as though the bill has been in force since last July, and that it must proceed in the normal way before it can cease any payments under the at and east freight rates.

The Acting Speaker (Mr. Paproski): I want to thank the hon. member for Regina—Lumsden and all other members for their arguments. We will take note of all arguments and bring back a ruling as soon as possible.

I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 11 minutes, beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—REGIONAL TENSIONS

Mr. Howard McCurdy (Windsor—St. Clair) moved:

That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

The Acting Speaker (Mr. Paproski): The hon. member for Saskatoon—Humboldt on a point of order.

Mr. Hovdebo: Mr. Speaker, I wonder if you would seek the unanimous consent of the House for the time for this debate to be extended approximately one hour, relative to the question of privilege that was raised by certain members this morning.

The Acting Speaker (Mr. Paproski): Are you suggesting that we go then until two o'clock for debate?

Mr. Hovdebo: That the time be added on at the end of the day, Sir.

The Acting Speaker (Mr. Paproski): Is there consent? The hon. member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, I will have to converse with some of my colleagues concerning that topic. We had a situation that did bear some similarity a week ago and no extension of the hours was provided during an opposition day at that time. I know that what had caused it was somewhat different from the cause of the delay today. Notwithstanding that fact, there were delays which had nothing to do with those who wanted a motion discussed last week. As such, I will converse with my colleagues and report to Mr. Speaker later on.

The Acting Speaker (Mr. Paproski): There is not unanimous consent at this time. The hon. parliamentary secretary.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, on a further point of order. I would like to raise a concern I have with this particular motion. In reading the motion, it is not very difficult to make the assumption that it accuses this government of increasing regional tensions, increasing incidences of racism and increasing incidences of bigotry.

The point that I would like to raise is that if this particular motion referred to an hon. member the motion would be out of order because it would be making an accusation that would be considered unfair, unparliamentary and totally out of order. I feel the same way about this particular motion. I think that it is the kind of motion that is argumentative, abusive and casts aspersions on the government and therefore on members of this House. The motion should be seriously examined by the Chair because it is certainly bordering on poor taste, at the very least.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to say a brief word in opposition to the point of order being made by my friend across the floor. It is very clear that the intervention of the member shows a lack of understanding of what racism is about and how it works. Certainly the government is not being accused of being racist or of being bigoted. The problem is that the policies of the government are resulting in helping the cause of racism and bigotry. It does not have to be intentional and the resolution does not say it is.

I support this resolution and I am going to make the point when I rise of almost the inverse of what it is the hon. member has said. It is policies that may be well meaning, an attitude that might be defensible which is causing the unfortunate consequences that are contained in this resolution. I think that this is a resolution that contains an allegation that could be made against any member of the House, if the things that they were doing, although not in themselves racist things or acts of bigotry, lent support and comfort to others who were racists and bigots. That is the point of this resolution.

The Acting Speaker (Mr. Paproski): The Chair and the Speaker have looked at this motion very carefully. What is coming out of the argument right now is debate. I think we should progress with debate. The hon. member for Windsor—St. Clair has the floor.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, there are any number of approaches that could be used in a discussion of the issue contained in this motion. This motion and a previous motion recently debated in this House cover, as I will demonstrate, somewhat different ground. Perhaps at some future date we should have a resolution on the importance of ignorance in perpetuating racism and intolerance of the sort that was demonstrated by the hon. member on the other side. The motion states:

> That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

There was a motion debated here on February 2. It was a motion moved by the hon. member for York Centre, a motion that our party certainly supported and one which elicited a good debate. That motion stated:

> That this House condemns the intolerance and prejudice in Canadian society that damages the fabric of the nation and urges the government and all members of Parliament to play a role in strengthening understanding and respect among Canadians.

That debate was of the genre which had many members condemning the increase in frequency of racist incidents and examples of intolerance in this country.

• (1250)

If one briefly reviews some recent articles in Canadian newspapers, the cogency of that debate is well demonstrated. For example: "Teenager charged in the beating of a black". That occurred at Nova Scotia Community College. "Sikhs warn that intolerance should worry all Canadians. The sad resolution of Sault Ste. Marie. Minister blasts Calgary pins for promoting blatant prejudice. Organized group not suspected in white power posters. Sickening handbill declares open season on native people. Students reject turbans in the RCMP", and on and on it goes.

There can be no doubt that there was a reasonable basis for the concern that occasioned the motion moved by the hon. member. What we heard there were the heartfelt views of members of this House on all sides condemning racism, discrimination and prejudice. It is that kind of leadership which has provided Canada with a fabric of legislation, a Charter of Rights, and many other measures which express the best of all Canadian desires that there should be tolerance in this country, that there should not be discrimination, and that there should be, as much as we can provide it, equal opportunity for all Canadian citizens.

The acceptance of those principles, whether in law or whatever, is only part of it. Those principles have to be accepted by the people. By and large, they have been. There used to be the argument that there was no way in which one could change minds by legislation. Well, it may very well be that you cannot change the deep-seated attitudes of people. Many of us who have been involved in the civil rights movement in this country have expressed ourselves in terms of not giving a damn whether we change their heartfelt feelings that are not expressed. What we are concerned about is how people treat other people.

It may very well be appropriate to say that the motion we have before us is a reversal, in a sense, of the wording of the motion moved and debated previously in this House which stated that intolerance and prejudice damages the fabric of the nation. I think it is an appropriate paraphrasing of my motion to say that when the fabric of a nation is damaged, then one will have an increase in expressions of racism and intolerance.

There is a very important principle associated with the issue of racism and intolerance. It is a basic principle that if a nation is a civilized nation, if a nation is to be a tolerant nation, then the people of that nation must have a sense of economic security. They must have a sense of community. They must have a sense that they are determinants, to some degree, of the direction in which the nation will go. The moment that fabric is torn, people begin to act in ways which are offensive to those of us who believe in equality among all people, no matter what their differences. The principle we are addressing really is the principle of scapegoating. When people are hurt, when they feel vulnerable, when they think that they are going to lose their jobs, when they feel a sense of powerlessness, they begin to look around for somebody to step on, to blame and to act out their hurt.

There are many examples of this. Historically, in the American south there were those who were called "poor white trash". They were impoverished and they looked around to find somebody who was worse off, somebody to whom they could be superior. As anybody who has studied the situation in the south would know, that was an example of scapegoating.

Perhaps the greatest historical example of scapegoating was in Germany after the First World War. That country was undergoing tremendous social dislocation, unemployment and inflation were rampant. There was near anarchy. A leader appeared who produced the scapegoat and we know the dreadful results of that. If one reflects on what was said in Germany at the time, we must note what is happening in our own country.

There is a book described in *The Globe and Mail* as the cornerstone of APEC—I like to call it APE because it is so primitive—ideology. It is written by J. V. Andrew. This book is described as detailing Mr. Andrew's reasons for his opposition to French Canadians, described as a backward race that has taken over the province of Quebec to use as a breeding pen and marshalling yard for the colonization of the rest of Canada.

We say there are those who are absolutely committed racists, that they have little influence unless circumstances are produced that create that kind of doubt and vulnerability I was talking about before.

I noticed that just this morning someone of my acquaintance seems to have pre-empted the subject of my debate. It is an article by Robert White in *The Globe and Mail* this morning which states: "Current climate fosters intolerance." His description of the situation is as follows:

> Increasing job losses combined with a shrinking social safety net leave people feeling less secure and more vulnerable to events over which they have no control. It becomes easier to attack the most vulnerable: women, children, people who differ from the mainstream by their race, colour, language or religion.

He also goes on to state, as described on February 2 in debate here, that the history of Canada has not provided us a solid record of tolerance and equality. However, increasingly over the years, in my lifetime, this country has become more and more civilized and more and more humane. What has distinguished us from our neighbours to the south is a sense of community responsibility, which is expressed in a variety of ways. It is expressed in the civilized way in which we have treated the question of basic language differences between the two colonizing peoples. It is expressed in an increasing concern about the status of aboriginal peoples in this country. It is expressed in the official policy of bilingualism. It also has been expressed in terms of such measures as unemployment insurance, medicare, and in so many other ways. This country has been based on the notion that there should be a mutual caring and that is fundamental in our society.

I submit to you that it is the erosion of that character of this country by the measures and policies implemented by this government which is largely responsible for what we are seeing in terms of scapegoating. One only need look at the examples in Ontario of those many municipalities that have passed resolutions declaring themselves unilingual. We know that this is in its expression racist, but what is the cause? The cause is that increasingly municipal councils are being asked to deal with problems with which they cannot fairly deal. It is part of the increasing unfairness in the distribution of responsibility for paying the cost of government. It is part of the unfairness in the tax system that the federal government fails to meet its obligations with respect to financing certain programs which evolved at the provincial level. In turn it goes down to the municipal level where the most regressive of all tax, the property tax, has to pay for it. People on the front line have to deal with these decisions for which no financial position was made.

What happens? A group of bigots give them the excuse to go around looking for a scapegoat. That is what is happening and that is what is going to happen to an increasing degree if we do not re-establish our commitment to the kind of society we want to pursue.

• (1300)

Increasingly, our country is a social democratic country. The reason I am a social democrat is that minority groups, linguistic groups, women, and all of those in our society who are so excluded are going to be the victims unless there is equality for all and unless there is a stake for all in the future of this country.

When we have the implementation of a free trade deal with which the majority disagree; when we have the niggardly attack on the unemployed with changes to UI; when we have a GST that perpetuates the notion that the rich should be relieved of the burden in favour of increasing the burden on the poor and the middle class; when we have increasing food lines all over the country; when we have people who are losing their jobs left and right; when we have regional disparity; when the fishermen know that their livelihood is at risk; and when farmers see their livelihood at risk, they look for scapegoats. People, having lost a notion of having any influence on the future, look around for others to blame. They are more immediate because they have a government that passes policies that are at odds with the views of the people and at odds with the view of what should be the destiny of Canada.

If one wants to look for the reason for increased racism, discrimination and violence then look for the increase in the sense of powerlessness that has been caused by a government that has ignored the people. It is committed to the powerful at the expense of the powerless.

Mr. Karpoff: Mr. Speaker, I have listened very closely to my colleague's statements and feel very close to this subject.

I would like him to look back on some of the more serious incidents of racial problems we have had in this country. There has been the internment of the Japanese, which I am close to since my wife was interned, the Chinese who had been singled out in Vancouver for such things as a head tax, and long periods where they were refused immigration. Look at that in terms of the economic situation in the country and how people who were feeling economically disadvantaged looked to other people to find scapegoats for their own economic disadvantage.

Could the hon. member draw some insights into why people who are often poor and disadvantaged themselves look for easy scapegoats rather than looking to the system, the powerful and the people who are the real oppressors? Why do they always look to somebody else who is more defenceless than they themselves are? I think that is one of the dynamics that happens. Why do these people not insist that a government like this bring in equitable economic programs, programs that will guarantee employment, housing and all of these things, rather than simply make scapegoats of those who are less powerful than themselves?

Mr. McCurdy: I thank my colleague for that question. This is what I was saying in terms of the importance of a sense of powerlessness and vulnerability in producing scapegoats.

We all want to be able, in some measure or to some degree, to control our environment. We want to be able to work and have decent housing. When we see that that is not available or that is threatened, we have two choices. We can try to convince governments, agencies or institutions in the community, impersonal all of them, to respond to our need. If there is no response or perception that there ever can be a response, then one looks around for some means by which they can, however distorted the point of view, bring about change.

If there is a lack of housing or jobs and looking around one sees a black person, a Sikh or a francophone has a job, and he or she has not, well, since government will not respond, let us go and attack those people who have the jobs we think we should have. Never mind that they may be more qualified because there is another element in all of this. There is a message in being included in the group. It is very important for everyone to be included in the group. It becomes even more important to be included in the group when one is in the situation of feeling so vulnerable. Of course, it is nice to be in the majority. It is nice to claim identification with the more powerful because, always, a majority is more powerful

than a minority. This feeds upon itself. If you are hurting, you will look for a scapegoat.

Marc Lepine looked around for a scapegoat under the same reasoning that women were depriving him of the opportunity for jobs in technology. We know the awful, brutal outcome of that perception of reality.

It is extremely important that governments at all levels have an awareness of the implications in what they do. In this country we had a sense that Canada represented a nation in which all of us were part of the community. So many measures were involved in this. Some of them I omitted in my speech. VIA Rail, for example, was something that tied the country together, something that meant a great deal to an awful lot of people. It was the tie that bound. Yet, it was smashed. The people had no influence. They could not change it.

We have a GST. Approximately 75 per cent of Canadians oppose it. It is no wonder that people feel frustrated, that things are out of control and look around for some means of expressing this.

In the case of Sault Ste. Marie there were decisions to be made with respect to costs that were passed down to the municipality. Collectively, the French-speaking minority of Sault Ste. Marie was attacked.

This entire package of actions by the government has in so many ways changed Canada and threatened ordinary people. These actions are a basis on which our commitment to equality in this country is called out of question because people look around for someone to blame and respond to as an easy target.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. When the House resumes the hon. Minister of State will be heard.

On a point of order, the hon. member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, since there is only two minutes before adjournment time, I would suggest that we call the adjournment now. I have a feeling that the minister's speech will be an important one and it should not be interrupted.

The Acting Speaker (Mr. Paproski): It being 1.11 o'clock, I do now leave the chair until two o'clock this day.

At 1.11 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

NELSON MANDELA

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, Nelson Mandela is a free man at last. Although only for a modicum of 48 hours after 27 years of political imprisonment, the impact of his freedom on the people of South Africa and indeed on Canadians and the whole world has been profound. His freedom has evoked indescribable joy world-wide.

He has come to symbolize indomitable courage and unwavering moral conviction in the face of enormous political adversity and state imposed racial discrimination, also known as apartheid. He never ceases to inspire the hearts and minds of all freedom loving peoples to his ideals.

It was with the same ideals and courage that he first greeted his people and the world just after his release: "I greet you all in the name of peace, democracy and freedom for all". No doubt he will facilitate their attainment in his country for his people.

We in Canada must remain vigilant and supportive to ensure that Mr. Mandela's freedom and his struggle for his people shall not be a fleeting moment in history and that what we have seen in South Africa is the real beginning of the triumph of human dignity and the end to racial bigotry.

* * *

[*Translation*]

OPEN SKIES CONFERENCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, 1989 was marked by spectacular events and spontaneous national movements that brought about a revolution in Eastern Europe.

A new era of liberalization, unification and openness is unfolding.

As part of this historic process, Canada is now hosting the first international "open skies" conference, attended by foreign affairs ministers of 23 NATO and Warsaw Pact countries, the purpose being to negotiate a treaty autho-

rizing both blocks to conduct unarmed surveillance flights over each other's territory.

Other aspects of European security including the use of conventional weapons are being discussed. It was even suggested that the "open skies" concept be expanded to include surveillance of oceans and space.

This is the first major East–West meeting in the 1990s, which will help set the tone for the new decade and new East–West relations on security matters.

Mr. Speaker, once again Canada plays a leading role in ending the cold war, once and for all, and promoting more peaceful relations between countries throughout the world.

* * *

[*English*]

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, today the Innu nation announced that if the Government of Canada does not halt its low level destruction of their homeland in eastern Quebec in Canada, they will ask the Federal Court to stop the flights, as in the Rafferty dam case.

The government is destroying the Innu land and their hunting. It is claiming that no one lives there permanently. That is a lie. The Innu have lived there for 9,000 years, much more permanently than recent European visitors.

The government claims its environmental impact study proves no serious damage. That is a lie. Two groups of international experts have condemned the government's study as a worthless cover-up.

The government says it does this training to protect us and western Europe from Russian invasion. That is a lie. No one believes the Russians will or can invade us. Therefore, Poland, Germany and other European countries are reducing their low-level flight training. However, this government expects $2 billion worth of economic benefits to Canada from low-level flying.

I call on the people of Canada to demand that this government stop this shameful and greedy destruction of the Innu nation.

TOURISM INDUSTRY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, tourism is an $800 million industry and growing in Nova Scotia. The industry wants support from government by way of marketing and other assistance. Most important, the industry wants a government that listens. This government listens.

Earlier this year the minister of tourism announced welcome federal support for Sea Sell '90, Nova Scotia's national award winning tourist promotion.

I wish to share with the House a letter I received this week from one of South Shore's major tourist operators referring to the minister's decision. He writes:

> The decision is important for two reasons. It supports the efforts of the private sector who are committed to the success of this project. And, as important, the decision reflects that government is listening.

I commend the minister for his prompt, considerate action. I know our tourist industry can count on his energetic and committed leadership and this government's full support for our tourist industry.

* * *

GOODS AND SERVICES TAX

Mr. Joe McGuire (Egmont): Mr. Speaker, the tourist industry is twice as important to P.E.I. than it is to any other province. It represents 10.5 per cent of our gross provincial product. Nova Scotia is second at 5 per cent.

In addition, tourism is the largest employer in P.E.I. The GST will, according to the Canadian Tourist Research Institute, harm P.E.I. more than any other province. For example, if an American comes to Canada, as an individual he or she can apply for a rebate of GST paid in Canada. This in itself will be a nuisance factor and a deterrent to the industry. But if the same person comes to Canada on a package bus tour, he or she must pay the GST to the tour operator who forwards it to the government. However, neither the tourist nor the tour operator can apply for a rebate.

Jim Larkin, executive director of the Tourism Industry Association in P.E.I. says the GST will hurt in many ways but will be especially damaging for American bus tours. The tax will make destinations to P.E.I. in Canada too

expensive for Americans. These groups will look elsewhere in the U.S.

In 1989, 1,062 buses brought 41,213 American tourists to P.E.I. They contributed almost $5.5 million to the Island economy. When reductions like this are added to the reduced rail service, reduced Tourist Canada promotions and a high Canadian dollar, one can see that a major Canadian industry will be in difficulty and another major source of income to the people of P.E.I. will be jeopardized.

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PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, faster than a speeding bullet, able to fly at twice the speed of sound: "Look, it's a bird, it's a plane"—no, it is the Concorde and it's flying into Pearson International Airport this summer at an ear-splitting velocity.

The arrival of the Concorde proves that Pearson is an airport of international proportions. However, we cannot overlook the fact that the airport lies beside residential communities which are affected by airport activity. This must be considered every time a change is made at the airport.

When the Concorde begins to fly into Pearson let us ensure that this is done under strict guidelines relating to curfews and noise levels. Otherwise, we may have to follow the example of other North American airports and ban the Concorde from flying into Pearson altogether.

As in all things at Pearson International, this situation calls for compromise and the assurance from our government that a balance is maintained between the demands of the airport and those of the residents of Brampton—Malton.

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OPEN SKIES CONFERENCE

Mr. Ken Hughes (Macleod): Mr. Speaker, yesterday in this House the Leader of the Opposition and the hon. member for Yukon revealed that they are still captive of the outdated imagery, the outdated rhetoric and the petty partisanship of years past.

Canadians are hosting a landmark conference on building confidence between NATO countries and Warsaw pact countries. No less than 23 nations are here in Ottawa seeking to reduce international tensions, all within shouting distance of the two opposition parties. Canada is taking an aggressive leading role in building peace. The opposition parties are taking narrow partisan cheap shots from the sidelines. Perhaps that is where they belong, there on the sidelines. Shame on them. This government is working for open skies, what the opposition needs is open eyes.

* * *

• (1410)

[*Translation*]

RIDING OF CHAMBLY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, last night the people of Chambly in a historic vote chose Phil Edmonston as the first New Democrat elected in Quebec.

Some hon. members: Hear, hear.

Mr. Nystrom: With 67 per cent of the vote, Phil Edmonston crushed the Conservative candidate, who got only 9 per cent. The message is clear. It is a statement against this government's Conservative policies. The message is clear. Chambly voted against the GST. Chambly spoke for all of Canada. It was a referendum on the GST and on Conservative policies and 90 per cent of the people said no!

I ask the government, Mr. Speaker, when will it listen to the voters of Chambly? When will it listen to all Canadians? When will it withdraw its GST Bill? When, Mr. Speaker?

* * *

[*English*]

AGRICULTURE

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, our neighbours to the south have again taken a slam at the Canadian farmer. The expansion of the export enhancement program by President Bush victimizes farmers in Canada by effectively pushing world grain prices down. The 60 per cent increase in the program further proves that the Canada-U.S. trade deal is a farce.

This government continues to remove all protection from Canadian farmers while American protectionist activity continues to increase, in violation of this agreement, and to the detriment of our Canadian producers.

The only give and take in this agreement is the Americans taking and the Canadians giving.

When will this government stand up for Canadian farmers?

* * *

[*Translation*]

WILDLIFE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, at the most recent meeting of Canadian ministers responsible for wildlife, held in Quebec City, the Minister of the Environment presented his provincial counterparts with a new action plan which the Environment Department is carrying out. This plan gives considerable importance to wildlife and its habitat, a subject in which all Canadians are particularly interested. The investigation which was done on this subject clearly shows that wildlife is a significant economic resource and it is interesting to note that 91 per cent of Canadians take part in wildlife-related activities, for which they spent over $5 billion in 1987.

Mr. Speaker, in Abitibi, we firmly support measures to conserve wildlife and its habitat.

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[*English*]

TRADE

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise today to draw attention to this government's lack of effort in promoting Canadian seafood markets and export markets.

In 1983-1984, the Department of Fisheries and Oceans spent some $4.5 million on marketing. Since then, most of the responsibility for marketing has been transferred to the Department of External Affairs. The result has been that in 1989, $1.9 million was spent on seafood promotion under the program for export development. Not a very good record. Not only has the budget been reduced, the effort has been diffused within the much larger trade development program.

By its own account, the government has caused the current crisis by over-estimating traditional fish stocks. If the industry is going to successfully expand into the under-utilized species, the primary responsibility for market development must be returned to the Department of Fisheries and Oceans. Only as a result of a focused and a well-financed program within the responsibility of that department most clearly related to fishery will this difficult transition be accomplished.

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FORESTRY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, reforestation is an urgent issue in Atlantic Canada, both to protect the forest industry as well as to sustain our wildlife habitat and environment. The challenge is to produce more wood in less time while maintaining our way of life.

Small woodlot owners are urging governments at all levels to participate in long-range programs to guarantee a future industry. As well, major corporations such as J. D. Irving have recently called for expanded research into forest protection with long-term strategies. The industry is encouraged by the 1986 study by the province of Nova Scotia that established the goal of doubling forest production by the year 2025, while ensuring protection for the environment by new methods and good management practices.

This week, the federal Minister of Forestry stated that all sectors must co-operate to ensure the survival of our forests for future generations. The commitment by provincial and federal ministers to sustainable development at a recent national forum in Halifax is important and appreciated by the industry, and gives the problem the focus it deserves.

* * *

TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday 250 construction workers from across southern Ontario protested in Windsor against the way this government is letting free trade take away their jobs.

Canadian immigration officials are allowing U.S. construction workers into Canada to install equipment in Canadian factories. The Minister for International Trade has already said that free trade was not supposed to permit such hands-on installation, but immigration officials are still permitting it. This has to stop. Canadians are perfectly capable of doing equipment installation work, work which they have done for years. U.S. immigration officials stopped Canadians from doing this kind of work. Why is this government failing to stand up for

Canadian construction workers? It is time this government stood up for Canada.

ORAL QUESTION PERIOD

[*English*]

TOURISM

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, today the Tourism Industry Association of Canada, representing an industry which employs hundreds of thousands, in fact almost a million or more Canadians, is meeting in Ottawa. This government has ignored this key industry's warning about the disastrous effects on it of the proposed goods and services tax.

If this government is unwilling to take the word of people in the Canadian tourism industry, perhaps it will listen to what Americans have to say. For example, the National Tourism Association of Lexington, Kentucky, says: "The net effect of the new tax will be a decrease in U.S. travel to Canadian destinations". Circle America Tours of St. Louis, Missouri, in a letter to the Prime Minister, says that the GST "will make Canadian tours non-competitive with tours to American and other destinations".

In other words, the Americans are telling us that if the government persists with its new goods and services tax, they will not come here as tourists. How can the government insist on imposing a tax that will seriously damage the Canadian tourism industry which is responsible for more than one million jobs in this country? How can the government persist in such a foolish and senseless measure?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I find it interesting that the hon. member would take the word of Americans before he would take the word of anybody else.

Some hon. members: You listen.

Mr. Hockin: The National Tourism Association did not say that the GST was going to drive tourism away. What they want to have in place is a proper rebate system. There are a number of things we can do to make more flexible and effective this rebate system which we have put in place for tourists from abroad who want to come to Canada. The National Tourism Association is going to work with me in order to help that happen.

In addition to that we have just unveiled today some brand new advertisements for the United States market, based on focus groups and research which is highly potent for increasing our appeal to the American market. These advertisements have been very well received.

We have also decided to spend more wisely. We are not going to waste our money through advertising but we are going to focus it carefully, based on strong research. That, together with a good rebate system, will keep our position strong in the American market.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, no wonder this government is in trouble. It is supposed to be business-oriented and it ignores the requirements and demands of its customers. No wonder it is in such a mess.

The government's rebate scheme is a farce. It requires detailed paper work to be submitted to the Department of National Revenue before anybody gets a nickel back. A tourist has to spend $300 before he can even make a claim, and it will not apply to meals, gasoline, and alcoholic beverages. There can be four claims a year.

• (1420)

This is something that will be especially damaging to border areas where tourists make many short trips, coming over for meals and entertainment. These areas have already been seriously damaged by this government's high dollar policy. The government's goods and services tax will provide another devastating blow.

When will the minister listen to the people in the Canadian tourism industry and withdraw this damaging tax?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we have consulted the tourism industry in the most intensive way of any government in the last 10 years.

The Leader of the Opposition should know that the rebate system that has been proposed by the Minister of Finance is the most accommodating and the most expansive of any country in the OECD. It will give rebates, for example, on accommodation. That is not done by any European country or any Asian country under the GST or the VAT. It will also give a rebate on goods that are purchased by tourists in Canada. This is a system which is extremely generous, but it must be made to work simply and that is what we are consulting about.

More important, this is not a time to denigrate tourism. This is a time to boost tourism.

The Leader of the Opposition comes from Windsor. It is a border community. That community, and all communities in Canada that depend on tourism want to make sure that we spend smart and that we base our strategies on good research. This we are doing, and we are going to work with the industry to make sure that the rebate works well.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, border communities like Windsor say that the proposed goods and services tax will be disastrous for their tourist, restaurant and hotel industry.

If this minister was truly the voice of the Canadian tourism industry he would not be trying to make excuses and defend this awful tax.

[*Translation*]

Mr. Speaker, the Minister undoubtedbly knows that many Americans visit Canada every year. He must also know that the Americans revolted against because they refused to pay more taxes, but still, the government keeps on repeating that the new goods and services tax will have no negative impact on the number of American tourists in Canada. How can the Government believe that American tourists will keep on coming in droves just for the fun of paying that new 7 per cent tax? Will the government finally admit that that new tax will have disastrous consequences on the tourist industry which generates $24 billion in revenue. Mr. Speaker, when will the Prime Minister start listening to the people from the tourist industry and give up the idea of a tax that will have disastrous consequences for our country?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member is reading a script. He is not listening to the answers.

Ms. Clancy: There aren't any answers.

Mr. Hockin: There will not be tax on American tourists buying accommodation in Canada. They will be able to get a rebate as well for goods they purchase. Read my lips. They will be able to get rebates.

The American market is changing. The tourism industry here in Ottawa today has made it very clear in my meetings with them that we are developing a different American market for Canada. We are developing niche markets, markets that are very different from the previous market which was, essentially, a rubber tire market.

What we have to do with this niche market is have strong research, and have advertising and marketing that fits that research. That is what we are doing.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of Finance.

The North American Association of Tour Organizers warns that the GST favours Canadians travelling outside the country over those who travel in Canada. The tax will make Canada too expensive for foreign visitors and for Canadians.

Canada used to get three out of five visitors to North America. Now it gets one out of five. Does the minister realize that his GST can price Canada out of the market? Is this what he means by making Canada more competitive in the world economy?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I think the hon. member would benefit from reading the Conference Board report on tourism prospects. That related to the 9 per cent GST. Now we have a 7 per cent GST and they are revising the report.

The Conference Board said that the rate of growth for tourism, which is growing and has been growing every year for the past five or six years, will not shrink but continue to grow at a slightly slower pace over the next

two years and then, guess what. Three years from now the growth will be stronger than it would have been—

An hon. member: Why is it slower?

Mr. Hockin: —if we did not have the GST. The GST, after three years, will be a positive factor for tourism, rather than a negative one.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of State for Tourism. The government claims it recognizes the importance of tourism in Canada. Yet, in the last budget, cuts were made to the ERDA programs for tourism and marketing. Now the GST threatens to cause a major downturn in the tourism industry in Prince Edward Island.

What specific programs will he announce to offset the major burden the GST will place on the tourism industry?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the first fact to realize is that we are not talking about a burden when it comes to the cost of running a tourist establishment.

For example, let us take look at a tourist establishment in Prince Edward Island. I will be there on Thursday consulting with the industry. The GST, which is rebatable, virtually instantly, will lower the cost of running a tourist establishment, be it a restaurant or hotel. It will lower it somewhere between 2 and 4 per cent. So the GST, which is an instant rebatable input credit, will lower the cost of tourism. That is the first point.

The second point deals with the 7 per cent that is being added to the customer's bill when he goes to a hotel or a tourist enterprise in Prince Edward Island or anywhere else in Canada. We are not discriminating against tourism. That tax will be applied against all services and goods in Canada. But there is a bias toward tourism because we are going to have a rebate for foreign visitors. Of all the industries that have had special treatment under the GST, tourism is at the top of the list.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

As we have heard today, tourism contributes some $24 billion to the gross national product of this country and creates some 10 per cent of the workforce. Yet, last March, seven of the 12 tourism agreements between the federal–provincial–territorial governments expired and were not renewed and another five are soon to end, despite the fact that tourism is fundamental to regional development in this country.

Will the Deputy Prime Minister explain to the House and to the thousands of Canadians working in the tourism industry why the government has failed to make tourism a priority?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member should understand that the regional development programs in Canada have a tourist component. They are eligible under ACOA, they are eligible under western diversification. They are eligible under FEDNOR in northern Ontario.

I announced just three weeks ago an additional component for tourism under FEDNOR. I find it astonishing that the leader of the NDP could ask any questions at all on behalf of the tourism industry. I will tell you why. This leader wants to make sure there is no longer any deductions for entertainment expenses.

Some hon. members: Oh, oh!

Mr. Hockin: That would devastate the hospitality industry. It would devastate the tourism industry and we do not believe in that.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the minister says that tourism can look for funds along with everybody else from ACOA and the Western Diversification Fund. The minister says that tourism funding will be drawn from the budget of the Atlantic Canada Opportunities Agency, known as ACOA. In fact, he has offered half the money he has offered in the past. He does not see tourism as a priority.

• (1430)

The minister has said today that the GST will be good for tourism. Well that will be interesting because the Prime Minister received a letter on January 19 from the Tourism Industry Association of Canada, which has suspended its support for the GST because of the potential it sees for more paperwork, price hikes, $1 billion a year in lost revenue and the loss of 25,000 jobs.

Canadian tourists already spend $3 billion more outside of Canada than within Canada. We have a $3 billion tourist trade deficit. Another 7 per cent is going to make

it even harder to compete. What is this minister saying to the tourism industry?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. Leader of the NDP reminds the House that TIAC has withdrawn its support for the GST. I would like to tell the hon. Leader of the NDP that TIAC also, I am sure, would withdraw its support for the NDP suggestion that we have a minimum tax on small businesses, most of which are tourist establishments.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is directed to the Minister of Finance. The minister answers that he said the GST is good for seniors as well.

Last week I asked the Minister of Finance to join me at a meeting with seniors because they are concerned about the GST and the budget. The Minister of Finance rejected my request, yet he should be listening. Once again I ask the Minister of Finance if at last he will agree to meet with these elderly people? He has to hear their concerns.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think if the hon. member is going to be honest with herself and with this House, she will remember that when she asked the question last week she asked if I would meet with a group of seniors at a meeting in Winnipeg the next day, which was last Tuesday, and I said at that time that that was not possible to do, and she knows that.

Now she is talking about seniors. There is a brochure which I hope she is going to pass out to seniors organizations with which she meets. It contains a list of things that are exempted from the goods and services tax, things that are designed to help senior citizens. They include things like basic groceries, meals on wheels, meals served in nursing homes, dental care, health care, hospital and nursing home care, prescription drugs, eye glasses and hearing aids. No tax will be charged on residential rents, on municipal transit, on passenger ferry service, on legal aid and other financial services.

These are the things that we have exempted from this tax precisely to help senior citizens in the country to cope with the tax.

In addition to that, the GST credit ensures that 75 per cent of seniors will be better off. I see that my hon. friend is finally nodding. I am glad to see that she does agree with what I have to say and I hope that she will tell senior citizens in this country exactly that.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the minister responsible for tourism. In his remarks a while ago he said that they are going to do better research. Can the minister tell me if he can do better research than the studies done by the Tourist Industry Association of Canada?

Second, he said we are consulting them. Well I would ask the minister to stop the consulting and listen to them. The minister is making allegations of all kinds. If tourism is in such good shape, how does he explain that they are going to lose 25,000 jobs in the next two years in this country?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, this gives me the occasion to summarize for the hon. member all the things that this government has been doing for tourism in the past year. I am sure he will want to hear every single one of them.

Let me start with the most important. We have talked about the GST rebate. It is the most expansive and most efficient system of any country with a VAT or a GST.

Second, we are listening to the tourist industry and we have put together the largest trade exposition in the history of Canada for the Pacific Rim. The Pacific Travel Association, for the first time ever, will be coming to North America, not to the United States but to Edmonton and Vancouver. That has been sponsored by Tourism Canada.

Third, we are also just finishing the biggest survey of the American market ever conducted by a Government of Canada. We have made over 9,000 contacts in order to identify these new niche markets in the American market.

We are also doing a price-value study of the American market to find out what their perception is of the value of their travels to Canada.

Finally, and most important, we are working with the industry to make sure that we do not waste our money but spend it smarter than our competition.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the Minister did not explain the loss of one job let alone 25,000.

[*Translation*]

Canada's tourist industry is deeply worried about the current situation in this country, and we have heard that it is experiencing its most severe crisis in 25 years. Is that clear? The worst crisis in 25 years! In the midst of such a crisis, how can the minister reduce the Canadian tourism marketing budget by almost half?

An hon. member: Shame.

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can only respond to the hon. member the same way as the Conference Board did. The Conference Board indicates that after three years the tourism industry in Canada will be stronger and more jobs will be produced than if we did not have the GST.

Second, the tourist operators in this country today made a very eloquent plea to make sure that the spending for marketing in Canada is not separate all the time, with the provinces going one way, the federal government another, the hotels, restaurants and tourist operators another, but that we get together and co-ordinate and co-operate. This we are doing.

* * *

[*Translation*]

IMMIGRATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Secretary of State for External Affairs I direct my question to the Acting Prime Minister.

Once again an outstanding Canadian is being denied entry in the United States under the provisions of the McCarren-Walters legislation which has been in force in that country since the onset of the cold war. And, as we know, for every blacklisted outstanding Canadian, there are quite a few ordinary Canadians.

In answer to my question last week the minister undertook to make representations to the Americans about this matter. I want to know what he has done since he made that commitment. If he has no significant results, would he be prepared to launch an advertising campaign to warn Canadians, particularly seniors, about the risk involved if they go to the United States and the measures they can take to clear their reputation in the eyes of the Americans?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there are millions of Canadians who travel to the United States every year and they do not experience any risks in doing so.

With respect to the Secretary of State for External Affairs, he is presiding over a very important conference that is being held in Ottawa, Canada, today with great success and distinction.

With reference to the case of Mr. Hunter, to which I think the hon. gentleman is referring, we are now advised by the U.S. Embassy that his case is being reviewed by the U.S. Immigration and Naturalization Service in Buffalo and it has determined that he is free to enter the U.S. without applying for a waiver.

With respect to American legislation, that, of course, is a matter of domestic business of the United States. The Secretary of State for External Affairs is bringing to the attention of the Americans our views on the matter and our hope is that they will proceed quickly with the implementation of amendments which have been proposed so that their legislation will be less onerous and more fair.

* * *

• (1440)

BLACK LISTING

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is for the Solicitor General. This is not a time for wishful thinking on this particular issue.

In 1981, the U.S. Government agreed to destroy its lists of the names of possible Canadian security risks, which lists had been supplied by the RCMP years earlier. But the record shows that hundreds of law-abiding Canadian citizens on those lists are still labelled as subversive by the Americans.

Just what is the Solicitor General and this government doing now other than wishful thinking to rectify this injustice and require the U.S. to clean up its records in compliance with the 1981 agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, so far as I know the United States is a sovereign country and has to determine itself what its legislation, rules and regulations will be.

We can pass on to the United States our views with reference to U.S. legislation or regulations that might affect our citizens, and we are doing so. The Secretary of State for External Affairs is encouraging the American government to have a generous interpretation of recent amendments so that Canadians would no longer be inadmissible on ideological grounds and so that any Canadians who appear on "look out lists" for inadmissibility on those grounds will be purged.

The Secretary of State for External Affairs is doing all that this government or any other government, other than the U.S. government, can do. It is up to the U.S. government to act with respect to its own domestic legislation, and that would be no different if any other party in the House formed a government.

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TOURISM

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, my question is to the Minister of State for Tourism. The minister has stated in the House, both today and previously, that the GST is going to lower the cost of operating a tourist establishment by 3 per cent to 4 per cent. The tourist industry representatives I have spoken to, of whom there have been quite a few, frankly do not know what the minister is talking about and they do not agree with his basic position on that.

Would the minister not agree that what he is talking about is capital expenditures only and does not involve the service component which is a major cost in the industry?

Second, does he not recognize that his statement is at least misleading and contrary to findings that the GST will cost tourism $1 billion a year and 25,000 jobs?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we can continue to cast assertions across the aisle, but I have to tell the hon. member that a very in depth study has been done by the Conference Board. It has taken a look at the very parameters that the hon. member is interested in, which is the growth of the industry.

This is the fastest growing industry in Canada with 3.7 per cent average growth in the past five years. We want to see that continue.

The hon. member would like to work with the industry to make sure this happens. So do I. One thing they do want is lower cost of operation. The reason that the GST allows a lower cost of operation for almost every tourist establishment is that the establishments immediately get back, within three weeks after they remit any of their sales tax, the money from the government, even before they have a customer walk through the door. That means they have more cash flow and lower costs of operation.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the minister has based his entire argument on the Conference Board report. I just want to point out that it is based on two false assumptions; one, that there will be no wage response to any inflationary impact on the GST and, two, that the MST will be completely removed before the GST is applied.

We have been dealing with international tourism, but what about our own Canadian tourists? Does the minister not recognize that 83 per cent of our tourists are Canadians travelling at home who cannot apply for the rebates? Does the minister not understand that the GST will discourage travel at home, that the GST will encourage Canadians to travel abroad and, last, that the GST will add to Canada's record tourism deficit which already tops $3 billion a year?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, my hon. friend now criticizes the Conference Board report. Two months ago he and his colleague quoted the Conference Board report when they criticized the tax when it was at 9 per cent.

More fundamentally, Mr. Speaker, let us take a look at an objective study that compares American tourism with Canadian tourism. The Runzheimer Index does this study of middle-level prices for hotels, accommodations, restaurant meals and air travel within the United States

and compares them to Canada. Guess what. Canada is more competitive in all three dimensions than the United States.

Mr. Ken Hughes (Macleod): Mr. Speaker, my question is also addressed to the Minister of State for Small Businesses and Tourism, but I do not want to be negative like our colleagues opposite here.

It has been noted that the goods and services tax will have a major impact upon the tourism industry. We all know that the provinces currently apply sales taxes on the industry. A good example is the 5 per cent hotel room sales tax imposed by the Government of Alberta. Can the minister tell the House, first, what other specific measures have been made in the design of the GST to safeguard those hundreds of thousands of jobs across this nation. Second, what is the impact of those provincial sales taxes on the tourism industry?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the House must be grateful that we finally have a sensible question on tourism.

The situation is that the provinces do apply sales taxes on hotel accommodation. The states in the United States apply tax on hotel accommodation. In fact, in New York City there is a city tax, a convention tax and a state tax.

We in Canada are not only setting the tax at a very low rate, but we are going to rebate it, as I have said many times in the House today, to foreign tourists. More important, the GST exemption is not only on visitors' accommodation. It will also be on exported goods that they purchase and air travel into the country.

When one compares any other country with a GST or a VAT with Canada, one sees that ours is the most expansive and the most efficient rebate system in the world. That is our way of operating. We are not going to use the approach some provinces do, such as Ontario, which is to give a rebate but to make it so difficult to get that nobody applies for it.

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INTEREST RATES

Mr. Douglas Young (Gloucester): Mr. Speaker, I want to ask a question of the Minister of Finance. Yesterday, in response to a question, he stated that there was a clear misinterpretation by the market of a very limited edited version of what the Prime Minister said when the Prime Minister was referring, allegedly, to the fact that interest rates would drop after the budget was brought down on February 20.

I want to provide the opportunity to the minister today to explain exactly what the Prime Minister said. Did he say that the interest rates would go up or did he say they would go down?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I said yesterday was that the market responded to a one-sentence report that came out of the Prime Minister's interview some time before the full transcript was made available. When one looks at that one sentence and compares it to the transcript made available at a later time, one sees that the context and the meaning of the sentence were quite different. That was the point I was making in response to the question yesterday.

As far as the question of my colleague on what the policy of this government is, we have made it very clear. We are determined to get inflation out of the system. We feel it is very important that we avoid the problems that we got into in the late 1970s and early 1980s. Until we see some reduction in the inflationary pressures in the economy there will not be a meaningful reduction in interest rates.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, I have a supplementary. I think it is very important, since yesterday the Minister of Finance was adamant in saying we should read what the Prime Minister said.

I will repeat my question for the Minister of Finance. The Prime Minister certainly did make a statement about what is going to happen to interest rates after the Budget is brought down on February 20.

Could the Minister of Finance tell the House today exactly what the Prime Minister said about interest rates in Canada? Will they go up? Or will they go down?

• (1450)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would encourage my colleague to read the full transcript of the Canadian Press report of the interview. Let me comment, if I may, on the article of Jack McArthur in *The Toronto Star* today. He is referring to

the Prime Minister. He said: "Yet his comment was quite cautious, possibly even a bit wise."

I think it is important for my colleague to understand that these things cannot be given one-word answers. I think he does understand that and that is why I am sure he would find it quite useful if he would read the full transcript of the Canadian Press interview.

* * *

FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the illustrious Minister of Fisheries and Oceans, I have a question for my fellow Newfoundlander in exile, the Minister for International Trade.

I have just spent a week on the southwest coast of Newfoundland talking to hundreds of inshore fishermen, hook and line people, from Harbour Breton to Port-aux-Basque. Everywhere the story is the same. These people are not catching enough fish to pay their expenses. Therefore, no net income, no money for groceries, no chance of qualifying for UI or the special response programs.

What is the Minister and the government going to do for those people who do not even have the minimum income requirements to qualify for the established programs?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the honourable gentleman knows that every year, including this year, there has been a program to look after fishermen who are in the unfortunate position that they were not able to catch sufficient fish to qualify for UI. I assume that he is now referring to the winter fishery which is taking place along the south coast.

If the fishery is so bad that fishermen are unable even to qualify for UI, every consideration will be given to a special program.

I might say, in connection with the 3PS fishery off the south coast of Newfoundland, that in 1989 the fishery was improved as compared to the year before. The catches for vessels of less than 100 feet reached 21,916 tonnes, a 25 per cent increase over 1988. That was last year in 1989, so that was a bit of good news. I hope the trend continues and that the fishermen in the hon. gentleman's district will find that they have a better season as time goes on.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the minister may have statistics about 3PS. I talked as recently as Sunday with 300 fishermen who have seven, 10 or 12 tubs of gear. That should, with 5,000 or 6,000 hooks, as he knows, catch 4,000 or 5,000 pounds of fish a day. They are catching a half dozen tom cods and a sculpin on a day. They are not getting enough to pay their expenses.

I am asking the minister, not what he is going to do maybe when the winter fishery is over at the end of March sometime, but what is he going to do now for people who have been fishing for as long as 14 months and have not been able in any way during that 14-month period to get enough income to qualify for a UI stamp or buy groceries?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman understands that we have had the special response program this year and that, if further special response programs are required, they will be provided.

With respect to 1989, I am correcting the figures because some of the hon. gentleman's colleagues gave an unfortunately false, distorted picture of what the fishery had been.

Mr. Simmons: Not I.

Mr. Crosbie: I know the hon. gentleman would never distort anything. That is quite obvious.

* * *

LOW LEVEL FLIGHTS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of the Environment. Twenty-two technical experts hired by the federal government to review the Canadian military environmental impact statement of low-level flights on the Innu and the environment of Labrador and Quebec have given the study thumbs down describing it as "inadequate by all conceivable standards of assessment" and "some sort of cover-up".

Since holding public hearings on such a document would be contemptuous of these expert findings and confirm a cover-up, will the Minister of the Environment instruct the Department of National Defence to

prepare an entirely new environmental impact statement because the present one is not salvageable?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I can give the House the assurance that my department is working closely with all government departments, including National Defence, on the environmental assessment process. We have always said, in this House and elsewhere, that the government has made commitments it intends to respect concerning the implementation of environmental assessment studies. The same applies to this particular case.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister acting on behalf of the Government of Canada. Today we have learned that 25 international experts who reviewed the study for the Innu have now also given the study thumbs down. One internationally respected scientist describes it as the worst impact statement he has ever seen.

Will the Deputy Prime Minister show some courage and sincerity about the rights of the Innu and the environment of all Canadians and order an entirely new environmental impact statement?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, with regard to this assessment, this project, the government has undertaken to follow exactly what is required in terms of environmental evaluation. We are aware of those comments. We know that the process is in place and the government will fulfil its obligations completely.

* * *

AIRPORT SECURITY

Mr. Bob Horner (Mississauga West): Mr. Speaker, my question is directed to the Minister of Transport. In 1987, this government brought in a $60-million program to strengthen airport security. Under this program 80,000 workers at Canadian airports were subjected to background checks and fingerprinting. A judgment released yesterday by Madam Justice Barbara Reed, ruled that this program was illegal and must be discontinued.

Exactly what can the minister do and what does the minister plan to do for the protection of the Canadian travelling public?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I was advised of Judge Reed's decision this morning. First, I would like to give Canadians the assurance that all this does not affect the security system in our airports which is operating normally. We intend to look at various possible responses to Judge Reed's decision.

* * *

[*English*]

COURT CHALLENGES PROGRAM

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Secretary of State. Last week the Canadian Council on Social Development fired all of the staff of the Court Challenges Program. This program has and should continue to play an indispensable role in clarifying and defending minority language and equality rights of all Canadians before the courts.

Last week in this House the minister expressed his dismay and disapproval of the firing of the Court Challenges staff.

What action has the minister taken since then to assure the staff that their positions will be reinstated and that the Court Challenges Program has the ongoing commitment of this government?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I did indicate to you that after a very thorough examination of the program and some very good recommendations that were brought forward by the standing committee, my officials and I have been meeting with the Minister of Justice and his officials and we are now advancing with a process seeking further consent of our colleagues.

As far as the specific action to which the member refers, I had indicated that my under-secretary had immediately called the executive director of the Canadian Council on Social Development. Unfortunately, a death in his family prevented him from being available for an immediate response, but we would expect to be able to report shortly on what further action has been taken.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Court Challenges Program has been in effect for 11 years. The Minister knew that on March 31, 1990, the program would end unless it was renewed. Could the minister inform the House he has at least raised the issue in cabinet? Does he have the support of members of the federal cabinet? And is he able to meet the pressing needs of language minorities and give those who want to avail themselves of section 15 of the Constitution the assurance that on April 1 of this year, there will still be a Court Challenges Program? Or can we expect the Minister of Finance, who is going to cut everything, to tell us this program will be cut as well?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I have explained that I found the program very beneficial. We have had a chance to examine the program, suggest a number of changes and improve it. We have been able to examine recommendations made by the Standing Committee of the House, and with my colleague, the Minister of Justice, we are making progress in this respect.

I have done my best to give some very positive indications that we are trying to do everything we can to make some progress, but right now, I am waiting for the approval of the government and my caucus colleague.

* * *

• (1500)

[*English*]

PRIVILEGE

SMOKING IN GOVERNMENT LOBBY

Mr. Speaker: I have received notice of a question of privilege from the hon. member for Carleton—Charlotte.

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question of privilege concerns smoking in the government lobby of this House. I must say, first, that I have never risen on a question of privilege before.

While privilege in the United Kingdom has always been based on common law, it has never been transferable to the colonies except by statute. The right of Parliament to establish its privileges is guaranteed by the Constitution Act, 1867. The most recent time that this was done was in 1985 when Parliament passed the Parliament of Canada Act in 1985.

I raise this question simply because I believe that in this House we are trying to set an example for Canadians, particularly young Canadians, and we are trying to establish a smoke-free environment for future generations of young Canadians. I believe we are falling down in that regard.

I point out that this House passed an amendment to the Non-Smokers Health Act in 1989. That act clearly requires that the House of Commons provide a non-smoking atmosphere for its employees. Because we are the employers of a number of individuals in this House, including clerks, young pages and the personnel of all members of Parliament, I believe that we have a responsibility to ensure that the environment is maintained smoke-free.

The act defines "employer" this way:

> "Employer" means a person who employs one or more persons in employment described in subsection 123(1) of the *Canada Labour Code*—

Under the definition of employer it states:

> (c) the Senate, House of Commons or Library of Parliament, in relation to employees thereof or employees of a committee of the Senate or House of Commons, as the case may be, or
>
> (d) a member of the Senate or House of Commons, in relation to employees on the staff of the member, including persons employed in the office of a Minister, or in relation to employees on the staff of a political party housed in accommodation provided by the Senate or House of Commons who are under the direction and control of the member;

In terms of our precincts—and I believe that I am absolutely correct in this regard—I wish to quote from Beauchesne's Fifth Edition, page 31, Citation 93(2):

> Control of the accommodation and services in that part of the Parliament Buildings (the Centre and West Blocks, the Confederation Building and other buildings occupied on behalf of the House) and its precincts occupied by the House of Commons is vested in the Speaker on behalf of the House.

I also submit that the work and the performance of members of Parliament are being jeopardized because we are not adhering to that policy. Again I wish to quote from Beauchesne's Fifth Edition, Citation 16, which states:

> The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members; and by each House for the protection of its members and the vindication of its own authority and dignity.

To me, this is a very important matter. I know we are attempting to clean up the environment of this country. I do not think there is any better place to start than right in this House. I believe, Mr. Speaker, that you have set the example since I have been in this House by bringing to the forefront for Canadians the attention that the environment very clearly needs.

I am not doing this for vindictive purposes. I am a non-smoker. However, there are many members in this House who are attempting to give up smoking. It is very difficult for them under these circumstances. There are very many members of Parliament in this House who have respiratory problems, and they have real medical concerns. It is very difficult for them to function in the lobby which is an extension of the office of a member of Parliament.

In the government lobby there are a number of telephones and desks from one end to the other. When members are present on duty in this House, many of their hours are spent in that lobby working on behalf of their constituents. I contend that their ability to work and act on behalf of their constituents is impeded simply because of the environment in that the lobby does not allow some individuals to sit there and work on behalf of their constituents.

I take this matter very seriously. I believe that we too in this House have to set an example for all Canadians. Again I say "young" Canadians.

Mr. Speaker, you are very cognizant of this fact and have brought it to the attention of the House many times. When we members of Parliament get out of hand from time to time, you are always the first one to stand and remind Canadians from coast to coast, the people back home are watching us, that we are clearly under their scrutiny.

I believe that if we are going to honour the traditions of this House, then we have to do it by honouring a bill that was passed in this place by us. I believe that we have to do it in fairness to all members of Parliament. I believe that we owe it to ourselves to make sure, if we are attempting to bring in a bill all Canadians have to live by, that we as members of Parliament are willing to live by it ourselves.

Accordingly, should you find that a *prima facie* case of privilege does exist, I am prepared to move the appropriate motion.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I just want to share with the House some of the experiences in the other lobby, that is the opposition lobby.

Since the adoption of the law I must say categorically that I have received absolutely the co-operation of all members in our lobby. There has been no smoking in the opposition lobby since the end of December 1989.

I have not seen one member smoking. As a matter of fact, today I had the pleasure to hear the member for Halifax tell me that she has quit smoking because of the interdiction to smoke. I encourage her to continue in that respect.

If the member has a grievance—and I doubt very much that it is one that touches privilege—then I think he should bring it up in his own caucus as a serious matter of discussion for them to decide. What happens in that lobby is their business. If he has a grievance with them, I think he has to take it up with his own Whip or somebody else.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, maybe we could all help each other and contribute to solving this difficult situation by kindly asking the hon. member if he would, for a time, suspend his desire to have you rule on his question of privilege.

In the meantime, I would respectfully ask Your Honour to write again to all members of Parliament, as you do from time to time, to remind them of the new rules that are in place. I am of the opinion that many members are still of the opinion that they can smoke in certain places and not in others.

• (1510)

I would suggest the hon. member suspend his request until Your Honour has had a chance to look into his question of privilege, as is his right. In the meantime the Chair can remind members of exactly what the law means and, if there is an exception, then you, Sir, will let us know. If after that time members do not abide by that reminder, then at that time I would imagine he would be more than anxious to rise again on the same question of privilege. At that time I am sure there will be many other members who would love to get up and participate in the debate that the hon. member may raise.

Of course I am in your hands, Mr. Speaker, with respect to whether or not you find my suggestion acceptable. I am also in the hands of my hon. colleague to know if the suggestion I just put to the Chair is acceptable to him.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I rise on the same question of privilege. I sympathize with all those people on the other side who wish to smoke.

I would say that this is the first time I have ever seen any regulation come in when there has been no opportunity for people in a federal agency—and Parliament is a federal agency—who do smoke to receive any advice or counselling.

I am sure that soon the freight entrances will not even be available for some of the people to smoke in because it will be banned there too. There is absolutely no place on Parliament for a person to smoke.

I do not smoke any more, but I can certainly appreciate the plight of those who do.

I think this is a question of privilege that should be looked at from the point of view of there being nothing provided for people who do smoke.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I know that this is an opposition day and that we do not want to prolong this matter for too long.

I was surprised that my friend raised this question of privilege because I know he is such a clean liver who has never been overexposed to lung problems, I guess, through smoking.

There is a problem here. We all know people should not smoke, but I quite agree with the hon. member for South West Nova. I did not hear all the remarks of the hon. member for Saint-Denis. However, I hope he was saying that the committee which he chairs ought to look into the matter. I think he is chairman of the members' services committee which quite frankly, and with all respect to my great friend, has been the most inactive cobweb committee around here for the last several months. It has not looked after the rights of members.

I quite agree. I think this is a classical situation. I used to be a practising lawyer, as I used to be a sometimes smoker. I never smoked cigarettes; I sometimes took a puff of a cigar.

Some hon. members: Oh, oh!

Mr. Nowlan: Having been in both of those areas, Mr. Speaker, as you yourself once used to be a practising lawyer, you and I know that there is an old maxim which applies in this case. I will not say it in Latin because when I use Latin around here people think I am being racist. I like Nova Scotia as Nova Scotia. I do not like it as Nouvelle Ecosse or as New Scotland. But in Latin there is a good old maxim which when translated means that the law is an ass many times when it does not have basic common sense. You can say that in Latin but it sounds better in English.

I can say to you, Mr. Speaker, in all fairness—and I have written to you on this matter before—that I knew this regulation was coming in on January 1, 1990. I do not think a lot of members around here did. Frankly I do not think we appreciated the stupid law that we passed which did not give rights to both smokers and non-smokers so that those who serve us have a place to smoke somewhere in this institution. There should be a place in all other federal buildings under our jurisdiction. The blanket, unilateral approach which has been taken makes all sorts of deceit possible.

In answer to the rhetorical question from the member for South West Nova, even now you get the ridiculous situation exposed to me and experienced by me on Friday of last week when I was smoking in the freight entrance with several other good colleagues and employees of the House. Some commissioner felt duty-bound to send his lower sabaltern in to tell the hon. member and all the other employees that, "Gentlemen, I hate to do this but you are not supposed to be smoking in there. Would you

please take a step and go out into the pouring rain and keep puffing out there?"

In answer to my friend, who is relatively new to this place, lobbies used to be the place in the whole institution where members on all sides and/or your own group would sometimes lobby, sit around, converse, socialize, meditate and think about some problems of state. Sometimes if they had the odd hiccup or had some social juice and/or sometimes puffed away, that sometimes helped in the meditation process so that some problems of state would be resolved.

I can tell you this, Mr. Speaker, and I am not trying to be too facetious or too humorous: the atmosphere around this place has changed, and not just because of no smoking. It has changed because of computers and fax machines and the personality of the whole political process now.

But when you add all those things together in the mechanical world and take away some of the companionship that some of us enjoyed in meeting with our fellow members in the lobbies, we do not do that any more. I want to raise as a question of privilege some day the fact that we should have a bell or a flashing light at the entrance way of all doors so that if we are puffing back there we can find out when the bell stops so we can get back here and vote.

Seriously, Mr. Speaker, I really think this matter should be discussed by the members' services committee, not just by the members of Parliament and our staff, but perhaps hopefully by House leaders to show that if the regulation is in stone for all federal employees then something can be done so that there can be some smoking spot. The thing has gone too far. I understand the respiratory situation, health and all that.

But, goodness gracious, there is something else in Latin, *caveat emptor*, let the buyer beware. Let the smoker beware. With all the advertising through the federal government and everything else, we know smoking is not healthy.

When are we going to get away from big brother always telling us what to do and let individuals start to make up their minds? Let us give an area for those who do want smoking. For those who sometimes do want to partake in a bad habit, let them continue to partake in the bad habit on their own without big brother telling them what to do.

Some hon. members: Hear, hear!

Ms. Mary Clancy (Halifax): Mr. Speaker, I just want to respond to some of the comments made here today. In particular as an aside at the beginning, if I may, I want to say that it is a wonderful picture the hon. member for Annapolis Valley—Hants paints of this place in times past—no women, lots of men, everyone sitting around drinking and smoking the day away.

However, I would like to say that if my hon. colleague from Saint-Denis and his committee go forward with some recommendations on this matter, we cannot see these recommendations go forward merely for this sacrosanct institution of the Commons. The public servants of Canada who work and live in their environments around us, both here in Ottawa and across the country, would hardly be edified if there were special places for the employees of the House of Commons to smoke in comfort and not such special places for other public servants of Canada to smoke.

Having recently joined the ranks of the converted—and this is the second time I have done this on television, so I hope it works this time—I can say that these stringent laws have made it a little bit easier for those of us who want to quit. We also have to remember that in so far as smoking in the lobbies is concerned what we are doing is infringing on other people's air space, if you will.

I think a separate place where people could go of their own accord—and I think the legal term is *volenti non fit injuria*—is something that could and perhaps should be done. Certainly it should not just be for the House of Commons. It should be something that is done for the Public Service generally.

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I just want to spend a moment or two on this topic which has nothing to do with government legislation, as some of our viewers might feel it does, namely, Bill C-51.

I remind hon. members that the Speaker is obligated to follow the law. The law that was passed was Bill C-204, a private member's bill. Under a private member's bill, members of Parliament had to decide individually as to whether or not he or she would support that

bill. There were no government Whips on that legislation. It was every member who decided for himself.

It was the former member for Broadview—Greenwood, Ms. Lynn McDonald, who brought in that legislation. I think viewers should be reminded and we should remind ourselves that it was not government legislation. It was the House of Commons deciding on a vote by each and every individual whether or not Bill C-204, which was a private member's bill, should be passed.

Additionally, what we should now keep in mind is that the Speaker by action of this Parliament is obligated to obey the law and to enforce the law here.

• (1520)

We know my good friend from Annapolis Valley—Hants well. We will not go into his personal views. He can say whatever he wants. He as a legislator as well is obligated to follow the law and expect the officers of this House to follow the law. It is for that reason I do not think the Speaker has any opportunity other than to follow the law set out in Bill C-204.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak very briefly on this matter. I agree with what the minister has just said.

I supported the law. I think the law has done a marvellous job in helping to discourage Canadians from smoking. However, as we pass laws in this place we have more of a responsibility than others who are affected by it to look at some of the impacts that the law is having.

For my part I prefer a smoke-free environment, and I am glad to have one provided for me. I have been trying in my own mind to come to grips with the problems of passionate smokers, committed smokers, people who seem unable—even knowing all they know about the dangers of smoking—to give it up.

I would commend to hon. members to think of committed smokers who are unable to give it up as people suffering from a form of handicap. Being addicted to tobacco is a form of physical handicap, whether or not it is significant that they are the authors of their own misfortune that they became handicapped through decisions that they made themselves.

I do not think their situation is really much different from other people who are handicapped and in a lot of cases may also be responsible for becoming handicapped. They may have driven in a way that led them to becoming blind, paraplegic or something like that. We do not make a moral judgment about handicaps. At a certain point we have a responsibility and the Charter of Canadian Rights and Freedoms requires us to accommodate their problem.

As we begin to see some of the real suffering that people are feeling and the terrible inaccommodation that they are subject to, these people who cannot give up smoking, I commend hon. members to think of their plight and to try to find some other solution than to force them in a cold Canadian winter, as I saw this morning, to have to stand outside to be able to smoke.

I do not agree with smokers. I like sending a positive message and a bit of a kick in the pants to people who insist on smoking, giving them, as my colleague from Halifax noted, a real incentive to try and give it up.

But there is a limit. Now that we in this House are starting to see it among our colleagues and staff, I think we ought to try and think of a way of learning to live with what I hope is a dying handicap, one that 10 years from now will not be among us.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have a very brief comment. I hope we will all remember this moment as we pass other laws. It may be one of the few occasions on which all of us sitting in this House have occasion to live with the results of the laws we pass in a very real and personal way, whether it be as smokers or as people seeing our colleagues suffering through the problem of addicts deprived of their drug.

We imposed this requirement well over a year ago on every person who works for the Government of Canada. I doubt anybody in this House at that time considered the effect on those people, smokers or non-smokers, or on their productivity. This debate did not occur in this House until we ourselves were affected by it.

I hope we will remember this moment and with every law we pass think about how we would like to live with the impact of that law.

SPEAKER'S RULING

Mr. Speaker: I listened with considerable interest to the interventions that have been made. I just want all hon. members to know that except when there is a tie,

the Speaker cannot vote and of course the Speaker did not vote on the bill which came before us.

Second, I should tell you that not only with the Speaker but with members of the Board of Internal Economy, the hon. member for Saint-Denis and other members of the committee on privileges, there have been considerable concerns discussed as to the applicability of the law and to the extent and whether it should be applied or not, or whether there should be any exceptions by way of special premises in order to allow smoking to take place should be provided.

The hon. member who just spoke made reference to the regulations that now bind the Public Service. Hon. members will know that it would have been a matter of severe criticism if in this place we collectively had decided to make exceptions to the law for ourselves that were not permitted by others who were members of the Public Service and serving our country and in many respects serving us.

The hon. member for Saint-Denis has made a sensible suggestion. I do not intend at the moment to rule whether this is a question of privilege. It may be and it may well not be. It is a matter of obvious concern to members.

But what I do want hon. members to realize is that the administration of this place is in the hands of the Board of Internal Economy which your Speaker chairs. I am bound by the law and so is the board. Further than that, so is every member of this place and everybody who works here. Until some change is made in that law or the application of it, and if there is a change in the application that change must be lawful, we who insist that all Canadians live by the rule of law must also live by the rule of law. The law may be, as the hon. member for Annapolis Valley—Hants said, an ass. Well we passed it.

Mr. Nowlan: I wasn't here.

Mr. Speaker: The hon. member for Annapolis Valley—Hants puts forward a plea of mitigation. That also is a legal term. I will not put in in Latin.

I will take the matter under advisement. I ask that before I have to return to the Chamber perhaps representatives of both sides of the House might consult with each other as to just how some of the complaints that have been brought forward today might be resolved.

I would prefer that this matter was resolved among members speedily and with a sense of responsibility and self-discipline rather than have more severe measures taken. I thank hon. members for their contributions.

PETITIONS

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, you will recall that during the question of privilege today in respect of language I cited a letter from a group of letters I had in respect to a constituent. I do not think there has been a formal request for the tabling of that letter, unless it has come to you directly. If it has, I have those letters. I leave it in the hands of the Chair.

Mr. Speaker: I should advise the hon. minister that I heard the offer this morning that the hon. minister was prepared to table it.

Under the rules the hon. minister does not have the authority to table correspondence to which he makes reference. However, the hon. minister can make it available to any member. I take it that that is the word of the minister and hon. members can obtain copies from the minister's office almost forthwith.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—REGIONAL TENSIONS

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

> That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I cannot begin to express to you and the House my outrage on seeing the thrust of this motion which has the gall to accuse the government of pursuing policies that have contributed to the creation of racism and bigotry in the country. This is the government which had the courage to address an incident in our history which scarred our nation. I refer to the Japanese-Cana-

dian Redress Agreement. This is the government that established the Deschênes commission. This is the government that enacted the world's first multiculturalism act which recognized our rich cultural diversity as a fundamental characteristic of this society. This is the government which is establishing the Department of Multiculturalism and Citizenship to promote a vision of full equality for every single Canadian, and this is the government which recently introduced Bill C–63, an act to establish the Canadian Race Relations Foundation.

• (1530)

I am outraged, Mr. Speaker, and so are all those Canadians who are contributing to make this country a better place in which to live. While I do not like the motion, I am certainly pleased to be able to speak to it.

When I saw this motion, two things came to mind. One is the chance to inform Canadians of what this government has done to combat racism and bigotry in this country. The Prime Minister has made it clear that they have no place here. I could stand here for at least an hour or more and recite a list of the positive achievements in this area since 1984, but that would give this motion more credence than it deserves.

For me, this motion has no focus; it has no substance, and it has no sense. These are empty and meaningless words. The hon. Member for Windsor—St. Clair has put everything but the kitchen sink into the motion. There are statements here that must be addressed. Let me say that I welcome this chance to set the record straight today. I welcome this chance because the hon. member who put forth this motion is himself among the many hon. members who just last week sent back to my department a coupon asking for copies of all the materials about eliminating racial discrimination recently published by my department.

These materials are in the process of being distributed to our regional offices, institutions, government officials, leaders in the field of race relations, concerned citizens, individuals of all ages, backgrounds and origins throughout Canada. They know we care about this issue and they know we are doing something about it. Maybe the hon. member who proposed this motion could learn something from their example.

Since 1984, this government has worked to make this country a place where social justice, equality and national unity prevail. The Canadian Multiculturalism Act, which became law on July 21, 1988, responds directly to this essential challenge.

[*Translation*]

The Canadian Multiculturalism Act states that, in harmony with the recognition of Canada's two official languages, the multiculturalism policy must preserve and enhance Canadians' multicultural heritage and seek to achieve equality for all Canadians in the economic, social, cultural and political areas of Canadian life.

As we know, Mr. Speaker, the Act commits the Government of Canada to an active, energetic multiculturalism policy making our diversity and the challenges and opportunities it presents an integral part of the process of building our country.

[*English*]

The Canadian Multiculturalism Act takes us a step beyond the establishment of equality rights. It actively promotes equality. It strengthens our sense of the distinctiveness of the Canadian identity. It contributes to our better understanding and acceptance of each other. It commits the Government of Canada to ensuring that all Canadians can participate fully and without discrimination in defining and building Canada's future.

The policy and the ideals of the act unite Canadians because they have great hope and great aspirations for this country. Those are the people who have this great hope in it. They believe that we can have an even better and fairer country. So do I. Canadians are not afraid to meet the challenges of our society today. They do not agree with the negative and destructive picture presented by the hon. member for Windsor—St. Clair. They have a different vision of what Canada is and can be.

I am fully aware that we do not yet have a perfect society. In spite of progress there are still danger signals when we take stock of where Canadians are right now in their relationships with each other.

We are all aware of overt incidents of racial intolerance, prejudice and bigotry in our country. We have seen the headlines about the report on the Donald Marshall Inquiry, about a racist pin and the creeping incidence of

anti-Semitism, the blatant hatred of the Jim Keegstras and others whose names are less well known.

I am not new to the issues, the concerns, the facts and the statistics and I do have a sense of urgency about what needs to be done. I have felt the stinging barbs of intolerance and ignorance myself, but at the same time I have a sense of optimism and hope that Canadians are at their core decent and caring people who want nothing less than a society of true equality. That is why my department immediately worked to build upon the equality provisions and promises of the Multiculturalism Act, by making race relations and cross-cultural understanding a priority program.

In September 1988 I first announced a framework for national action in the field of race relations, a framework for change and for progress. This national plan defined six fronts for positive action. Many of you are familiar with them already. Let me share them with you again: public education, changing our institutions, helping voluntary organizations, generating more research about racism and racial discrimination and how to fight it, setting an example at the federal level, and getting governments to work together.

Changing public awareness is a major task. There are many activities in this area, but our most significant work in public education is centred around March 21, the International Day for the Elimination of Racial Discrimination. I know many of you are familiar with this date and with its fundamental objective, namely to raise public awareness of equality issues and to get Canadians on side in the fight against racial discrimination.

[*Translation*]

For the first time in 1989, we had a large public awareness campaign for March 21, the International Day for the Elimination of Racism and Racial Discrimination. Many activities were held with the support of Multiculturalism and Citizenship Canada, as well as other governments, community groups, human rights groups and various other institutions.

[*English*]

Approximately 52 municipalities throughout the country participated in our first major March 21 campaign. I am very optimistic about the growing profile of this effort. March 21, 1990, promises to generate even greater public attention and I see it as a most effective way of circulating our message in schools and communities throughout Canada.

[*Translation*]

We have clearly stated our purpose: Promote appreciation and acceptance of the principles of equality and multiculturalism among Canadians and in federal institutions and develop the will to implement them.

We recognize that, within our social structures, institutions have tremendous power. They can share in the life and work of every one of us.

To overcome racist attitudes, we must make structural and institutional changes.

The department which I head helps Canadian institutions adapt to the cultural diversity of our country. Thus, we encourage institutions to examine their structures and policies to detect obstacles to full equality of rights; these obstacles are not always obvious to those who run these institutions.

[*English*]

To that end, my department supports institutional change related to education, policing, the media, health and social services, labour and municipalities. Of course we recognize that in many of these areas, provincial and municipal governments are on the front lines. No real change can take place without their active involvement and so we are working closely with them.

I would like to mention a few of the key projects we have recently undertaken in partnership with others. We have been working directly with the Canadian Association of Chiefs of Police to promote the development and use of cross-cultural training within police forces. Our efforts in this area, and in encouraging the recruitment of visible minorities, are essential if we are to make authority figures more representative of our multicultural reality.

This past summer a pilot project was established for visible minority youth in Vancouver who are interested in careers in policing. I met with some of these young men and women and I can say with confidence that this project was a great success.

• (1540)

In October I convened a national consultation on policing in a multicultural society. Federal and provincial officials from across Canada met with police chiefs and officials, along with representatives from visible minority communities. Together, we are finalizing a national action plan to strengthen police minority relations.

There is no room for racism in our places of work. Yet, all too often, the doors of our institutions are closed to some because of discriminatory attitudes. In addition to our ongoing efforts in the area, I am working to develop a national anti-racist education program with the Canadian Labour Congress. Together we are developing a three-year plan to provide training and education materials for the thousands of union shop stewards across the country.

It has been said that if Canada is a microcosm of the world, then municipalities are our neighbourhoods. It is certainly true that municipal governments are most in tune with their own local conditions.

[*Translation*]

That is why my department is working closely with municipal administrations across the country. We support the Federation of Canadian Municipalities through its race relations program. We have helped establish a national action committee on race relations. We have also helped to develop a series of practical guides on race relations.

I believe these publications have already had a positive impact.

We have made a major contribution to the second national seminar of the Federation of Canadian Municipalities on race relations at the municipal level, a seminar held in March 1989.

Another very productive federal-municipal initiative was the founding of the Hasting Institute in Vancouver. This agency will help the city adjust to the changes taking place as a result of the increasing impact of visible minorities, women, native people and the disabled.

[*English*]

Last year, Toronto City Council declared 1989 as the Year for Racial Harmony in an effort to sensitize the people of Toronto about issues of racial discrimination. My department also provided support for this very worth-while municipal initiative.

We are working directly at the community level, but we are also involved with the gathering of better knowledge and information to help combat racism more effectively. Much has been done to achieve this objective, and much more will be done.

The government announced in the last Speech from the Throne that legislation would be tabled to create a Canadian Race Relations Foundation. That promise has been kept. The legislation is now tabled and we will be moving ahead as soon as possible to create a centre for research and action in this vital area; a centre which will work to help eliminate all forms of racial discrimination.

I have mentioned just some of our government's achievements. While it is clear that we have broken new ground and set new standards in certain areas, it is also clear that there is still much to do and we cannot do it alone. Government leadership is vital. But to achieve real progress, an entire society must be mobilized. A co-ordinated, co-operative approach must be put into place. We see today how the call for reform by people like Lech Walesa and Nelson Mandela has had a profound effect.

This kind of broadly based social action could not have been achieved without a groundswell of support at many levels. Real change is not achieved solely through individual gestures. It is realized through partnership. Here in Canada the federal government has assumed a leadership role in the area of race relations. But the actual effects of our efforts would be limited only to our government offices if we ignored the need for partnership.

"Racism" and "bigotry" are ugly words and their reality is uglier still. They are not things we as Canadians like to accuse one another of. We do not want to think of our society as discriminatory or intolerant. The fact of the matter is, however, that racism and bigotry are part of the fabric of Canadian society and have been for a long time.

In the past, to our shame, we have too easily and too often side-stepped or simply ignored these issues. To our credit, I believe that those days are over. At the same time, however, I believe all of us involved in the elimination of racial discrimination must be very clear about what it is we are trying to achieve. We are not trying to achieve a tolerant society. Tolerance is putting

up with something, accepting it, living with it because there is no alternative. We have to move beyond tolerance.

Racism is not going to disappear overnight just because we recognize and comprehend that it is offensive to the dignity of all human beings, but we must expose prejudice for what it is, the act of bigotry, pure and simple, and once so isolated, we can and will eliminate it with every resource available to us.

As I have said in this House on previous occasions, the issues of combating racism, prejudice and bigotry are ones in which I have a deep personal involvement. In my youth, I felt the weight of that oppression and I resolved to fight it. I have done so in my community, in my neighbourhood, and now, here in Parliament. That fight is not over. It will not be over until we have eliminated racism, bigotry, and all forms of racial discrimination in Canada. We must do this task together. We must do it now, because together we are better.

Mr. Kaplan: Mr. Speaker, I have a question for the minister. I do not want to take anything away from his commitment to fight racism. I also do not want to take anything away from the list of measures he has put forward as achievements on behalf of his government. However, I wonder if he agrees with me, as does the member from Windsor, with the sense that we have that for everything the government says it is doing, things seem to be getting worse on the racism front and one does not have to look very far for examples.

There is a question I want to ask him. I will have an opportunity to speak, and I would like to be pointed about it, because I really think input on this subject could be valuable. More than action, there is a responsibility on people of good will and on governments to react to things when they happen. Something important happened in April 1988 as an example to which the government has failed to react to this day. A reaction by the government would have measurably supported harmony across our country, certainly in the part of Canada where it arose.

I am referring to the efforts that have been made by the Sikh community to get their religious artefacts and obligations recognized and accepted as part of the fabric of Canadian society. I am talking about Canadians here who have a right under the Charter to practise their religion, a right which is protected by the Canadian Charter of Rights and Freedoms.

They appealed to the RCMP to allow them to wear their turbans on the job and in their dress uniforms. If the answer were no, they would not be able to serve in the RCMP.

Religious obligations have to be tested in the institution against the practical requirements of that institution. The RCMP made that check and they could not come up with a practical reason why Sikh religious observers should not be allowed to wear their turbans. They looked at it and could not find a reason. They could not say safety considerations, environmental considerations. There is no reason why those individuals who profess the Sikh faith should not be entitled to wear a turban in all aspects of the performance of their duties in the RCMP. Commissioner Simmons came forward in April 1988 and said that there was no practical reason why a turban should not be allowed as part of the daily uniform, as part of the dress uniform.

The government has not responded. They have not said, as the Solicitor General is supposed to do: "We will go along with your interpretation of the law. We will make this contribution to understanding and harmony within Canadian society." They have been silent for 1988, silent for 1989, and silent until today, except that a few days ago I heard the Solicitor General saying that he was looking for a compromise. I would like to know what he meant by that.

However, more important, I would like the minister for all of the goodwill and all of the good things that have been done to recognize a substantial failure by this government, by members of the government, by the Don Mazankowskis of the world, to stand up in western Canada where they are respected, and in other parts of the country where they are respected as well, and stick up for a decision such as that which would have done a great deal to promote better harmony and better understanding among Canadians.

• (1550)

Mr. Weiner: Mr. Speaker, the issue is certainly one that I am very familiar with. I have had a very active and ongoing relationship with members of the Sikh community of the Sikh faith, as I do with all cultural communities. I certainly have an understanding of our rich ethnic

and cultural diversity, and all the benefits that are accrued to our society.

I have a sense that this type of episode, much as other types of episodes that have been occurring far too frequently across the country which my hon. friend is indicating are bothersome to him as well, are part of an over-all crisis. The crisis is one of national identity.

Mr. McCurdy: Exactly. That is the argument.

Mr. Weiner: There is some difficulty in Canadians understanding what our fundamental characteristic is. There is the linguistic duality of the country, of course; our protection of minority rights and how that harmonizes with our multicultural reality. I have certainly spoken to how that diversity strengthens and unites us.

There is a lot of work that we have to do in helping Canadians understand what we have become. I said that I cannot do it alone. I said that the government is committed, physically and personally, with this very strong cross-government commitment to examine how every one of its departments and institutions can better reflect our diversity. I have been building partnerships with other levels of government. Indeed, I have been reaching out for partnerships in the labour community, in the business and non-voluntary sector, in the health and social services, among others. It is quite obvious that all of our institutions do not reflect to any great degree the rich diversity of our nation, so a lot of work has to be done.

There are a lot of people of goodwill and understanding out there. It is an issue where we have to be generous and bring a lot of understanding. Last Friday I brought forward a committee of very distinguished Canadians who represent the different walks of life to help advise on how the Multiculturalism Act could be better implemented, to provide public accountability in a very open manner to Parliament and to advise me on what we are doing. All those representatives will help within the sectors they come from so that their own sectors can better reflect our diversity and allow us, once and for all, to have full equality and full participation, which is the minimum we can expect for our citizenship.

With regard to any specific incident that takes place, I have developed initiatives to address those concerns in a very proactive manner. The situation that the member has raised is one that I have certainly discussed on numerous occasions with my colleague. I have even heard the minister respond that—maybe he said it in self-reflection—perhaps the delay has not been helpful to what he had hoped would be necessary in his resolving the issue. I did what I had to do to be helpful and now we are looking forward with anticipation to the minister making his decision, which he said he would do some time this month.

Mr. McCurdy: Mr. Speaker, I must say that I am really quite shocked at the distortion that was contained in the argument of the minister with respect to the motion before this House.

I was quite clear, but of course the minister wrote his speech before he listened to the debate, that there was no criticism contained in the motion about those specific measures and the will of the leadership of this country in respect to legislation and any number of acts that are intended to attack discrimination directly.

If the minister does not understand what was contained in the argument this morning then he ought to be ashamed of himself. The classic source on prejudice in Canada, *The Vertical Mosaic*, pointed out the importance of scapegoating to the question of racism and discrimination.

I should also point out to the minister that this motion has to do with something else besides racism and bigotry. It has to do with regional division. The minister may not agree with me, but he has no excuse to distort my argument. The argument is quite simple. It is the position of the New Democratic Party and of a great many thinking people in this country, and he came close earlier when he made reference to the sense of lack of control that is growing in this country, that this government, by its policies, has attacked the very fabric of a country that has had a sense of community out of which has come that legislation that bans discrimination, that is intended to discourage prejudice.

No amount of legislation in the world will prevent the acting out of racism, if the people acting out their racism have not got a sense that the country belongs to them, that the country cares for them, and that the government cares for the country. If there is a feeling out there that that sense of community is being lost, that there is more generosity to those who are already rich at the expense of the poor, if there is a sense that the regions are

suffering at the expense of the more prosperous regions, if there is a sense that government is acting on behalf of some at the expense of others, if those who are vulnerable are threatened with lack of housing, lack of employment, by God, my God, Mr. Minister, you bloody well ought to know by now, if you know anything about the issue, that scapegoating will result. That's the argument that we should debate.

Mr. Speaker: Questions and comments are now terminated.

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Lambton—Middlesex—Agriculture; the hon. member for Essex—Windsor—Fisheries; and the hon. member for Trinity—Spadina—National Defence.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the resolution before us today focuses on the same issue in a way that I raised on behalf of my party in a resolution on February 2. It calls on the House to condemn those policies of the government which have bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

In the resolution I put forward a little over a week ago, I laid a responsibility on all Canadians and on Parliament to take stronger measures to combat racism. This resolution focuses particularly on the responsibility of the government and that is exactly what I would like to do in the course of the opportunity I have to make some remarks today.

We are fortunate, in looking at the problem of racism, in that Canada is not a racist society. We have racism here, but we also have a great well of decency across Canada and we have the willingness which we have expressed time after time after time as a nation to combat racism when we see it. We have passed laws. We have established commissions. We have set up the Court Challenges Program, which I hope will continue to be funded, although the government has not indicated that it will. We have people in the field, we have resources from the private sector, all devoted to trying to eliminate racism from Canadian society.

The main way in which racism can be eliminated in Canadian society, and the sense of it that I want to bring to government responsibility, is the responsibility to exercise moral suasion as individuals, as decent people in the society, and for the government, on its behalf, to try to fight racism and counter it when we see it.

My contention is that for all the lists of achievements of the government, for all the programs and so on, they are not providing the kind of moral leadership that would make a difference in Canada today if they would provide it. It can sometimes be expressed in terms of race or nationality. Sexism, it seems to me, is often an expression of that same phenomena of hatred, fear, anger and contempt.

• (1600)

In the sense in which I have just defined it, what has been happening more and more in Canada is a small group of racists, whether it relates to language, sex, race, or whatever, has seemed to develop an evil genius, a kind of a *génie du mal, de la destruction* which leads them to develop the capacity to animate a large group of Canadians who do not have that characteristic and who are not racist in the sense that I just defined but who are disgruntled. There is a lot of disgruntlement in Canada now. There is a great disappointment in this government and I do not say this to members opposite in a partisan sense. It is a simple fact drawn from statistics and reactions to the programs and policies of the government. There are disgruntled people out there. There has been disgruntlement expressed with provincial policies in some parts of the country. All of that together provides a pool that the evil genius of racism has been able to animate and mobilize to lead to attitudes that are very destructive to the essential fabric of Canada.

Our country is more vulnerable to that type of attack than other countries because we are not the monolithic expression of one culture or one language. We are a mosaic, a patchwork, a quilt, to use Jesse Jackson's expression from the United States, of a lot of different groups. Cement to keep those groups together is a vital necessity in our national life. As groups that are motivated by racisms of one kind and another attack the fabric, we need to respond and react.

As I said a moment ago, when I was talking to the minister, it is not only actions. The minister piled up a large list of impressive things that the government has done to combat racism. The main thing that needs to be

done is to stay in touch and in tune with that fabric and movements that are going backward and forward which are threatening it in one way or another and to respond to them. It is urgent in this fabric of Canada that there be that kind of response whenever it is needed. Leadership needs to be provided.

I will digress for a moment to make the point that the government does know what leadership is. The government has shown leadership. It has shown it in the economic area. No one can say that it does not have an agenda, that it is not serving certain interests, that it does not have certain goals. I do not agree with it. My party does not agree with it. I do not think most Canadians agree with it. But the government knows what it is doing over there. It knows who it is working for and what it is trying to achieve. The government does not do it just by bringing in legislation. There are speeches, the government has programs, and it is back and forth across the country talking up economic policies which it has. But when it comes to the area of moral or social leadership, that is where the leadership that we see them capable of giving in some other areas is not given. To that extent, although I am showing some differences with my colleague from the New Democratic Party about the way I see the problem, the leadership that could be provided to help keep the fabric of Canada strong is simply not being provided.

I want to make my point by talking about the language issue. The language issue is a tough, tough issue for Canada. What is often not mentioned in debate is that our country was founded because we were able to make an agreement that accommodated French and it would not have been founded without it. We made a commitment to the survival of French in Canadian society. It is right there in the British North American Act of 1867.

Some people say, "Well, we made a deal in 1867. We will stick to that deal, but don't ask for more". That is not good enough. I think most Canadians know that, because unless there is more and we have richer programs and responses to the French fact in Canada, it will not survive. The commitment that we made in 1867 was to the survival of French and in one way and another the official languages policy—

[*Translation*]

—is a reflection of our commitment to accommodate and ensure the survival of the French fact in Canada, not just in Quebec but in Canada. And I think that is what should be the basis of our response.

[*English*]

I sometimes listen to the phone-in shows on the radio. You hear people saying "Well, there are more Italians in our town". Or "There are more Germans in our town than French. What are we talking about the survival of French for?" I would like to hear people reply more forthrightly that Canada exists because of the commitment we have made to French.

This is not to say that Italian is not an important and interesting language. I speak it, I enjoy it. It is a very big part of the cultural life of my city. But it is not in the same category of national commitment as our commitment to two official languages. I wish that was realized more across the country when people look at the methods that have been devised with great consensus in this House to support bilingualism across our country.

A few Ontario municipalities, too many of them, have gone unilingual, to coin a phrase. This is very disturbing because it sends a bad signal. It shows you the kind of evil genius that is behind it, although I am certainly not critical of everyone who supported it. I think a lot of them were in the category of groups animated by a cause that gave them an opportunity to express their disgruntlement. At the heart of it is something very evil.

This APEC, the Association for the Preservation of English in Canada is meant to give a kick in the head to the concept that the survival of French is a valid concern. The people who thought that up are saying, "You want French to survive. Well, we want English to survive and here is our association to do it". There is a very big difference between these two causes. One makes absolutely no sense. There is no basis on which one can argue that the survival of English is in doubt in Sault Ste. Marie, Thunder Bay or in any municipality in Canada or anywhere in Canada. English is a language which is surviving and thriving.

When you look at the issue of French survival I think it is a different story. A small island of six million on a continent which is vastly anglophone, little communities across the rest of Canada outside Quebec where in their daily life French speakers cannot operate in French only.

This is a real problem. When APEC comes along with that wonderful name, Association for the Preservation of English in Canada, it is the most terrible insult to concerned francophones who legitimately want to see their language preserved. We are talking about something valid compared to this idea that the survival of English is somehow threatened by any of the bilingual policies that one has in place in Canada or that you could think of. To me, it shows the nature of the source of that movement across Ontario.

I think we should fight it. You hear some saying that they are doing it because of what is happening in the province of Quebec and they are coming to the aid of the poor anglophones in Quebec who have had their rights limited by Bill 178.

[*Translation*]

I have already condemned Bill 178. The use of the notwithstanding clause was something to be deplored. I think we had to make this eminently clear, and we did so. Perhaps we should look at what Quebec Anglophones have to say.

[*English*]

I have a letter which was sent out. It is addressed to the citizens of Sault Ste. Marie and sent by Alliance Quebec. Do you think that Alliance Quebec is saying "Thank goodness you are finally giving those francophones in Ontario terrible treatment". That is not what they are saying in this letter. They are saying the opposite. The Alliance Quebec people, who speak English themselves, want the Association for the Preservation of English in Canada to stop.

• (1610)

I would like to table this letter. First, I would like to read a part of it:

> I urge you, as citizens, to put pressure on your elected officials to reverse their decision. In doing so, you would be honouring the past of your community, which as its name implies, is built on the site of an old French trading post. Sault Ste. Marie is a reminder of the pioneering spirit of our French and English forebearers who built this country together.
>
> At a time where relations between English- and French-speaking Canadians are strained, you have an opportunity to make a gesture towards greater harmony. I hope you do not let this opportunity pass. Ask your City Council to reconsider this matter now.

That is how the anglophones in Quebec, who have suffered to the extent that they have—

[*Translation*]

—with Bill 178. This is in reaction to those who seem to help by denying, at least symbolically, the rights of francophones outside Quebec.

[*English*]

This is a wonderful kind of Canadian gesture by Alliance Quebec. It is signed by Robert J. Keaton, President. I would like to commend them for doing that.

I want also to deplore the developments of last week in the House of Commons on this very subject. My former leader, the Right Hon. John Turner, on his last day as the Leader of the Opposition, brought forward a simple, straightforward resolution which I have here and which I would like to read.

I would have thought in the light of Sault Ste. Marie, and in the light of Alliance Quebec, with the Thunder Bay vote coming on and with the need, as I mentioned, for cement for national unity within the Canadian mosaic to be provided in a reactive way when it is needed, and not just when it is time for the Speech from the Throne.

The leader brought forward this motion:

> That this House reaffirm its commitment to support, protect and promote linguistic duality in Canada.

Now there was a resolution that should have whistled through at two o'clock. I spoke to the mayor of Thunder Bay, Jack Masters. He told me, and maybe we need to be told this in the House of Commons, that it would have made a difference across our country if the House of Commons had passed a resolution on that subject. People care what we think in this place. They are affected by the kinds of ideas, exchanges, the things we come to terms with here and the resolution that we make of them as members of Parliament.

That simple resolution did not get through because the Prime Minister of Canada chose to play politics with it a few days before the by-election in Chambly. I would be happy to discuss this further. I see members opposite thinking I am being unfair. I am not. Instead of adding to the resolution in a way which would have reinforced it, the Prime Minister of Canada added some baggage to it,

acceptable to many members of Parliament, including myself, but as he well knew, not acceptable to many others.

I talked earlier about another example where the government should have come forward. I had a chance just a moment ago to ask the minister about it. I am referring to the Sikh turban in the RCMP issue. I do not want to repeat what I said a few moments ago, but I cannot help but reflect on the quality of the hand-ringing answer that I just got from the Secretary of State on why it is that when the Commissioner of the RCMP made the statement, which was really a legal declaration in April of 1988, that there was no basis in law for denying the religious expression to the Sikh community.

There were many ways it could have been looked at. Many arguments could have been made. Do you need a turban for safety reasons, or the helmet, or whatever? He went through all that because our Charter of Rights and Freedoms does not give a person the right to express every right when it is not reasonable in a free and democratic society.

So the commissioner was looking at what are the reasons that we can say; "You cannot wear your turban". He could not come up with a reason. So he said; "Okay, you can wear them". But then it fell to the Solicitor General to give a simple order and I have had the honour of having that office. If he had given the order at that time, "I approve of the use of turbans by religious Sikhs in the RCMP", I think the atmosphere in western Canada would have been very different. I do not think the button campaign would have been launched if people like the minister from Winnipeg, the minister from Calgary, ministers from Edmonton, members from every community, had stood up and said that there is no way we can or should stop the Sikhs from wearing their turbans in the RCMP. If that type of animation, leadership, and moral suasion had been exercised, Canada would be stronger today. That is why I agree with this resolution and that is why I join in condemning the government for its policies.

The Acting Speaker (Mr. Paproski): Before questions and comments, the hon. parliamentary secretary on a point of order.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

BROADCAST OF MEETING OF COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I am sorry to interrupt at this point but I think it is a good time, rather than going halfway through question period or another speech.

There have been discussions among House leaders and I believe that you will find unanimous consent for the following motion:

That this House authorize the broadcasting, by the electronic media, of the meeting of the Standing Committee on External Affairs and International Trade, Thursday, February 15, 1990, at 10 a.m.;

That such broadcasting be at the discretion of the chairman of the committee and under the following conditions:

a) That the camera positions be fixed;

b) That the cameras not be permitted to enter or leave the room except during suitable breaks in the meeting;

c) That existing room lighting be used;

d) That the existing audio system be used;

e) That the appropriate pooling agreements be arranged;

f) That the format and coverage used for the House of Commons broadcast be adhered to;

g) That the decorum of the meeting be preserved.

The Acting Speaker (Mr. Paproski): Hon. members have heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

Mr. Riis: Mr. Speaker, I just want to confirm with my hon. friend, the Parliamentary Secretary to the Government House Leader, that we have had consultations. We have had extensive consultations, but this is a very historic moment and, for that reason, we believe that this special privilege of televising it so that the people of Canada can also see all or parts of it is more than appropriate. But again, we look forward to an expansion of the television coverage of the House of Commons as per the report and, hopefully, the government will bring that in soon. On this particular initiative, we give our enthusiastic support.

Mr. Milliken: Mr. Speaker, we concur and on behalf of our party agree with the motion as proposed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—REGIONAL TENSIONS

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

> That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

The Acting Speaker (Mr. Paproski): Questions or comments? The hon. member for Athabasca.

Mr. Shields: Mr. Speaker, my hon. friend brought up the issue of Sikhs in the RCMP wearing turbans. I would like to pose a question to him because a lot of people in Alberta are struggling with this very concept.

One hears a number of arguments. Some of the arguments are that it is heritage, custom and so on. I do not agree with that personally. Another which is also put forward is that the reason police officers wear uniforms is to distinguish them and in no way should uniforms show or point out a religious position of the individual wearing the uniform. There would be situations where an officer of the law could be arresting an individual of a different faith and there could be real animosity on religious grounds between the individuals. If a change in dress of any officer points to the fact that he follows a certain faith, whether it be Sikh or Muslim or whatever, this could cause problems for the officer and also problems for the individual.

If the police officers in Ireland were identified by religious differences that could cause a lot more turmoil than really exists. I would ask my hon. friend, through the Speaker, if he would consider this a valid argument.

• (1620)

Mr. Kaplan: Mr. Speaker, I do not consider it a valid argument, although I know a lot of people feel that way. To me there is enough uniformity left with the rest of the dress when the headgear is changed. A person with the uniform would be clearly identified as a Mountie. The Mounties have very high standards. They do not pick just anybody to join their force. I believe that the public would know when approached by a turbaned Sikh wearing a Mountie uniform that they were dealing with an individual who met the high standards of the RCMP and not someone who was inclined to be prejudiced in any way.

I make a counter-argument to the member. That argument could be used for arguing that blacks or Indians should not be allowed to be in the RCMP. Although their distinctiveness is not expressed by clothing, it is expressed by characteristics and colour of their skin. All of the arguments you made about what kind of prejudice might be assumed could be tied to the colour of their skin as well. So, let us not have it one way and let us not have it the other way. The Mounties have high standards. They are not going to hire people who do not share their high standards. I think the public will accept a member of the RCMP with black skin, with Indian racial characteristics, or with a turban on, and they will accept him up to the high standards of the force.

Mr. Martin: Mr. Speaker, I have heard the hon. member speak in many areas of the country on the issue of human rights. He is, without a doubt, one of the leading exponents of this issue. Given that, I wonder if he would comment on the Marshall report within the context of his earlier remarks.

Mr. Kaplan: Mr. Speaker, I would like to thank the hon. member. I know he has shown in all of his public career a great concern for issues relating to native justice and aboriginal rights. He raised the question of this report with me when it came out. I want to tell him I feel I could have used that as an example just as strongly as the other matters I mentioned.

When the Marshall report came out, I got up in this place to ask him for action, the Minister of Justice said: "We are waiting for the Province of Nova Scotia to take action". I would have liked to have heard a different answer from the Minister of Justice. In the context of social activism and leadership, the right response would have been: "This is a devastating report and here is what

the federal government is going to do on its side of it". The Marshall recommendations were there and there were a number of them that the federal government could have implemented.

We have had the reaction of the Government of Nova Scotia for one week, and one could say a week later: "You said you were waiting for the Province of Nova Scotia to respond. Now can we hear from you?" Another week has gone by and we have not heard.

Leadership and reaction are extremely important ingredients to fighting this war on racism which every society has to fight but even more in a multicultural society. I rate the government very lowly on reacting to these issues and I think observant Canadians do also.

The Acting Speaker (Mr. Paproski): Questions or comment? Debate. The hon. member for Scarborough Centre. It is my understanding that the hon. member will speak for ten minutes, plus five minutes, splitting the time.

Mr. Shields: Mr. Speaker, has the time for questions and comments expired?

The Acting Speaker (Mr. Paproski): There are still two minutes more for questions and comments. The hon. member for Athabasca on a question or comment.

Mr. Shields: I would just ask my hon. friend about his response to the hypothetical situation I posed to him. He indicated that it could be colour, or along the same line. I would answer that by saying that colour does not determine a man's religion. Religion, as you know, can become very emotional.

There is a case in Edmonton of the city fathers wanting to put a cross at intersections, a painted cross on the pavement where someone had been killed in a traffic accident. Because this had religious significance, other religious groups became very emotional about this and said: "No, we will not allow this. It is not right, because it is a religious symbol." The city of Edmonton had to change and not put a cross, but now paint a coffin. I am putting it in that context.

These are the arguments that many of my constituents and many of the people of western Canada are making. It is not just changing the headgear. The headgear in itself becomes a religious symbol. That is where the problem arises, not because of heritage. I personally do not care if they change the headgear. But the headgear itself is a religious symbol in the same way as a cross would be a religious symbol. This is the problem that people are discussing and one that I think we should address.

Mr. Kaplan: Mr. Speaker, I think the city is wise to use another symbol than the cross to signify where people have been injured in traffic accidents. I know this was the policy in Belgium and in Europe. What they had was just an outline of a person on the sidewalk. This, to me, is an area where there is no religious requirement, that you use a cross to make that symbol on the road. You can do anything. But with observant Sikhs they cannot, consistent with their religious principles, go out without the turban on.

The question is, are we going to accommodate their clear and demonstrated religious observance or not? We have a law on the subject. The law says that we recognize it unless, in a free and democratic society, there is some reasonable basis on which we should not. And there is not, so far as wearing the Sikh turban is concerned.

I was on some hotline shows in Alberta and I know the kind of concerns people have who are not racist. I hope the member noted in my remarks that most of the people who are behind these causes are motivated by others. I feel that at the centre of it, there are people who are animating others because of fear, hatred or contempt which leads them to animate others to take positions on some issues that are very divisive of a multiracial, multicultural society like Canada.

I ask the member, when thinking about the issue, to distinguish what is essential to religious observance and what is not, because the essentials are protected by our laws.

Mrs. Pauline Browes (Parliamentary Secretary to Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am pleased to speak in this debate today. I will be sharing my time with my hon. colleague from Burlington.

I am pleased we are discussing this issue today because it gives me an opportunity to set forth the actions our government is taking to promote freedom, opportunity and tolerance in Canada.

The motion put forward today by the New Democratic Party does nothing to enhance that cause. In fact, it is a motion designed to promote discord and dissension. I find it disturbing because I believe, and this government believes, that it is up to all members of Parliament and all Canadians to do whatever we can to bring Canadians together. Indeed, it was the former member of Parliament and Prime Minister, the Right Hon. John Diefenbaker, who introduced the Canadian Bill of Rights nearly 30 years ago.

The Bill of Rights begins with five simple yet powerful words: "I am a free Canadian". It is those words that must and do guide the actions of this government. Our programs and our policies reflect the fact that all Canadians share the same rights, the same freedoms and the same opportunities. That is what makes this country so different from so many other countries around the world.

We have all watched incredible changes in the world over the past year. But the underlying feature in nearly every event in eastern Europe and in many other countries is the triumph of freedom. People from around the world are experiencing for the first time freedoms that Canadians have enjoyed for over 120 years.

• (1630)

When our government came into office in 1984, we committed ourselves to putting an end to the bitterness and pain all too many of our fellow citizens endure. We have dedicated ourselves to finding new ways to stop the process of polarization among our own people and to end the senseless divisions that are perpetuated every day based on the arbitrary notions of superiority and inferiority, replacing them with the healing wisdom of compassion and understanding.

Since this government has assumed office we have come to appreciate the dimensions of the problem, and I can say with great confidence that the personal effort on the part of the Prime Minister and all of his cabinet colleagues is testimony to our efforts to end the vicious cycle of racism.

We have provided not only a leadership of ideas, we have backed them up with concrete programs and federal initiatives. I can also say with pride that our government has done more to fight racism than any other in our history. All hon. members should be joining with us, working with us, in that great struggle. Racism is inexcusable. It is the policy of our government to work constructively with all Canadians to eliminate these evils.

Our record is one to be proud of. The Minister has pointed with justifiable pride to initiative after initiative of the anti-racism front. I would be glad to file with the House of Commons the press releases of those initiatives that have taken place in the last few months.

I underline the importance of those initiatives. Of course, we all have to be resourceful and tireless. In the Secretary of State and Minister of State for Multiculturalism, we have a tireless champion for equality and fairness for all Canadians. His personal record is clear and his commitment to combat racism and prejudice is solid.

The fight against racism is part of our government's policy of multiculturalism. In 1988, Parliament unanimously passed the world's first Multiculturalism Act. This act clearly states that multiculturalism is a fundamental characteristic of Canadian society and that cultural diversity will be considered in all aspects of the decision making of government. It points the way to a Canada of equality, a Canada where understanding and acceptance is the basis of our relations as a people, in which the government is committed to ensuring that all Canadians can participate fully and without discrimination in defining and building our country's future.

Multiculturalism, for our government, is a policy that has solid programs and services. It is pro-active, anti-racist and is in keeping with the objectives of the act.

But our government has moved beyond simply enacting the legislation. We have been actively working to ensure that the principles of multiculturalism are applied to the policies, programs and practices of all federal institutions. The elimination of intolerance and discrimination is today one of the highest priorities of Canada's multiculturalism policy and, indeed, will remain so.

The government and the members of Parliament cannot do it alone. It can, however, help bring together individuals, organizations and institutions to create a

positive partnership to build understanding and equality. Through those partnerships we can meet the participation and service needs of ethnocultural and visible minority community Canadians in special need of assistance. When they have to deal with institutions and practices they do not know or understand or when they have to communicate in a new language, we will be there.

At heart multiculturalism is about recognition that this society is for all the people who live here, all Canadians. That participation and opportunity must be equal in this pluralistic society.

The Multiculturalism Act itself is a central element in our striving for equality. Its fundamental aim is building co-operation and developing support for the equality objectives which are set out in our Constitution and human rights laws.

Multiculturalism seeks to preserve, enhance and share rich cultural diversity. We have established chairs of ethnic studies, and encourage various artistic and literary expressions as well as programs of fostering cross-cultural understanding. We are working to integrate Canadians of all background into the common life of our country, its institutions, its cultural vitality, its media, its political groups and its movements. This government has had the courage to tackle the sensitive, complex issues of Canadian identity and partnership and tried to lead all Canadians of goodwill to a better understanding of each other and their aspirations.

Our Multiculturalism Act is a symbol of that commitment to bringing Canadians together on a basis of justice and fairness. Canadians recognize that our diversity of traditions and insights brought together in our neighbourhoods, our schools, our businesses and in our civic forums is the rock solid basis of our strength. I am pleased that the Scarborough Chamber of Commerce has recently set up a multiculturalism committee in this respect.

Of course we still have much to do, and safeguarding equality for all will be with us for a long time into the future, and that of the generations to come, but we are indeed making progress and it is this government that has led in facing up to the problems and pointing the way to overcome them.

Mr. Speaker: Questions or comments? Debate. The hon. member for Burlington.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to respond today to the rather serious accusations by the hon. member from the New Democratic Party. I regret that I have only a short time to argue against his vague criticisms.

I would like to refute the hon. member's motion with particular reference to the immigration program by arguing that the government is innocent of the charges we face today. Our immigration program engenders fairness from its very foundations.

When we talk about bringing people to our country and helping them settle, this government is guilty only of promoting equality of opportunity, justice and racial harmony. Entrenched in Canada's immigration law is the complete ban of discrimination on the basis of race, colour, national or ethnic origin, religion or sex. Section 3 of the Immigration Act requires immigration rules and regulations for admission to reflect standards consistent with the Charter of Rights and Freedoms.

From the beginning, those people who wished to come to Canada are granted the same treatment throughout and fairness is guaranteed from the moment that anyone puts his or her foot in the door of the immigration program. At the same time, this government realizes that many of the new immigrants are personally disadvantaged when they first arrive in our country. They may not speak the language or understand their rights. New skills and understanding must be conveyed so that they have the same opportunities as all Canadians. They need assistance in adjusting to this new and foreign society so they can begin to contribute what they have to offer.

Most important in fitting in to a new community is the ability to communicate. That is why Employment and Immigration is spending $77 million this year for language training for new immigrants destined for the labour market. Furthermore, the minister has committed $2.5 million for language training for women who do not intend to enter the labour force. It is precisely these language skills which will pave the way for successful integration by these immigrants.

• (1640)

Besides language training, Employment and Immigration Canada assists some 130 volunteer organizations to counsel and support immigrants in adjusting to Canadian society. This can include anything from learning how to fill out a job application to understanding our laws and our government.

This year some 13,000 immigrants will benefit from the $56 million in funds for these programs. We should note that such programs often teach Canadians as much as they teach new immigrants. By working with people of different cultures, Canadians gain increased understanding and tolerance. Our host program is one such example where Canadians give of their time and understanding to help refugees settle.

Accepting people from vastly different backgrounds is indeed something to which Canadians have become accustomed. In recent years we have seen more and more people coming from countries in eastern Asia and Africa. Furthermore, in this year's immigration plan the minister has allowed for the resettlement of 26,000 refugees in line with our international obligations.

Canadians will continue to welcome the world's disadvantaged. While their backgrounds are foreign to those of many Canadians, their presence provides us with an appreciation of our life as well as an insight into the plight of the refugees abroad. Indeed, as the composition of our society changes Canadians have had to adjust their picture of what Canada looks like. As they tune into reality they discover that, as always, immigrants offer much to the quality of life and the culture of this country.

Everyone in Canada has the right to equal treatment and the opportunity to contribute. Through our programs and laws immigrants to Canada are assured those same rights that we have. By the same token, Canadians themselves are guaranteed equality of opportunity through our immigration policies. They are guaranteed equality of opportunity to work and opportunity to receive proper health care, education and countless other benefits.

One need only think of the scientists and the physicians and business people whose choice of Canada as a home has provided so much in view of the background from which they came. In view of the fact that we want immigration to continue to meet the needs of Canadians, the minister is now engaged in an extensive cross-country consultation on immigration levels. Through discussion with sectors such as business, labour, health and social services and education, the minister will be assisted in setting the country's immigration levels for the years 1991 through 1995.

The House should note that these consultations serve a great educational purpose in themselves. Many Canadians who have never discussed the issue are now actively engaged in the dialogue. It is our hope that a more understanding public will emerge through these consultations.

Canada has earned a global reputation as a country that treats its new citizens fairly and justly. That reputation was recognized when the people of Canada were awarded the prestigious Nansen Medal. Our immigration program has a unique give and take nature. While immigrants are granted equal rights and opportunities, Canadians benefit from their presence in countless ways. It is the openness and generosity of the program and people that have allowed a vast mixture of cultures and races to exist peacefully in one country. We are the envy of the world in that regard. Levelling ambiguous charges towards the government's efforts as the hon. member has done today is entirely unproductive. The hon. member himself has done a great deal to foster racial understanding and better equality of opportunity.

Canada's immigration policies have been scrupulously careful about the need to promote racial harmony, equity and justice for everyone. I would ask the hon. member to recognize that fact.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Vancouver East, I would just like to indicate that because it is the NDP's opposition day the rotation of the order is NDP, P.C., Liberal. There were two 10 minute speeches by the P.C., then the NDP, then the Liberals and it goes back to P.C. so that we can get as many speakers in as possible.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, by law Canada is a multicultural society with a charter that guarantees fundamental rights and freedoms. The present government which was supported by all parties in the House reaffirmed multiculturalism policy in a Multicultural Act a couple of years ago. This act, of

course, promotes multiculturalism and equality for all Canadians particularly in regard to federal institutions.

In light of this unanimous support within the House for multiculturalism it is rather sad to read a recent article by *Maclean's* magazine which shows that the popularity of this policy is declining. We hope this will be temporary. I would like to quote a couple of paragraphs:

> —Prime Minister Mulroney—reaffirmed Ottawa's commitment to the multicultural mosaic—in a 1987 pamphlet that Canadians should have the freedom 'to retain their respective identities while joining one another as equal partners in a united country.' But the Canadian reality has clearly fallen short of the ideal. In fact, recent opinion polls show that, far from living up to the principle of ethnic harmony, a growing number of Canadians express intolerance not only of identifiable minorities, but toward the idea of ethnic diversity itself. The mosaic is under siege.

They mention also that polls show that when Canadians are asked specifically whether they support official multiculturalism most, about 63 per cent, still answer in the affirmative. However a *Maclean's* Decima poll shows that fully 61 per cent of Canadian respondents, including a majority of every income and education level, says that immigrants should change their culture in order to blend with the larger society.

Clearly this means that we must have a fairly aggressive program to develop equal opportunities in the real meaning of multiculturalism that will be accepted by and for all Canadians.

Not only is enthusiasm for ethnic diversity waning, but racism continues to be a disease of our society, as many people have pointed out today. Studies show that racism indeed is on the increase. In 1988, 70 per cent of people who were surveyed said they thought immigrants bring discrimination on themselves.

Although we have legal protections under the Charter and employment equity laws, systemic discrimination continues even in our own public service. It is appalling to think back to the past year when we witnessed the controversial killing of two blacks in Toronto, the racist theories of Philip Rushton, the 15-year cover-up of the murder of Helen Betty Osborne in Manitoba. We know that injustices against Donald Marshall cannot be wiped away with an apology.

In Vancouver feelings were inflamed against immigrants from Hong Kong, and skinheads have reappeared. Two years ago backlash was strong against boat people who sought refuge in eastern Canada, and I must say that some of the government policies did not alleviate that.

Here in the House of Commons we have had many petitions presented opposing the wearing of turbans by Sikhs in the RCMP. Our party believes that the Solicitor General has exacerbated this problem by delaying a decision which in very simple terms should be in favour of a policy which must conform to the religious freedoms which are guaranteed under our Charter of Rights. There should be no debate about that.

Racist pins in Alberta have promoted opposition to visible minorities, immigration and multiculturalism. Now we find this is spreading to anti-turban T-shirts and calendars which are being sold. Why can the Minister of Multiculturalism and the Minister of Consumer and Corporate Affairs, who lives in the city of Calgary, not have some influence and give some leadership to discourage this kind of trend? I think it is incredible that even the Chair of the justice committee has taken a stand against our Charter of Rights on this matter.

. (1650)

A more subtle form of systemic discrimination is evident within the government itself. The Canadian Human Rights commissioner a while ago strongly criticized the low proportion of visible minority workers that are employed in our own federal Public Service. Only 1.58 per cent of civil servants are visible minority people, compared to 6.3 per cent in the general workforce.

The government targets have not been reached at all. Government policies which established low targets and budget cuts certainly will curtail new hiring opportunities. We can predict that this kind of systemic discrimination within the Public Service against people of colour will continue.

It is absolutely essential that the government take leadership to establish a fair target for employment and promotion, not only of visible minorities but of natives, disabled persons and women. The Treasury Board should be setting the example within our own Public Service.

I want to give two examples of public servants who have had experiences of racial discrimination. They are Canadians whom we as members of Parliament have hired. I am ashamed to have to give these examples. Mary Pitawanakwak, an Ojibway Indian woman, worked for the Secretary of State. A human rights investigator confirmed that a public official had called her a "God damn Indian". She was fired in 1986, two years after filing complaints of racial discrimination and sexual harassment on the job. This matter is still being contested.

A second example is the Canadian Alliance for Visible Minorities claim that Mr. Idris Ben-Tahir, a career public servant since 1963, has been a victim of racial discrimination. Although he is highly qualified, he was relegated to a position requiring Grade XII education, and was dismissed from his job as a senior technical editor with the Canadian Forces. After being exonerated by the military and Pubic Service investigators, he returned to employment and has continued to face harassment, and has become ill as a result.

The Canadian Alliance for Visible Minorities has recommended several points that they asked us to raise very strongly in the House of Commons. I do this on their behalf today. They have recommended that Ben-Tahir be appointed to a position in the Public Military Service of Canada befitting his qualifications and experience. Second, they recommend that Ben-Tahir be financially compensated for mental anguish, humiliation and harassment. Third, they recommend that an impartial inquiry be initiated to investigate the discriminatory practices directed against public servants from visible minorities, such that it may result in the development of an integrated strategy that would effectively identify and eliminate racial and cultural discrimination within the Public Service.

I repeat that this is our own Public Service and our own government which is condoning this kind of discrimination. The Alliance also states that this case is in direct contravention of statements made by the Prime Minister in a speech called "Racism is a Moral Enemy of Justice", in which he professes stringent actions are needed against racism in Canada. He stated:

> If we fail to accept our individual responsibilities as citizens of Canada, we fail democracy itself.

I could not agree more.

I ask the Prime Minister and the government, why he does not insist that action be taken to remove systemic discrimination in the Public Service of Canada.

What is the cause of these increasing tensions and the increasing incidents of racism and bigotry which are symptomatic of a sick society, as well as of sick people? We believe it is government policies to a large degree, as stated in this motion, that contribute either directly or indirectly. The cumulation of regressive, harsh policies has placed an increasing burden on individuals and families in various groups and regions in our society.

This is the kind of atmosphere that sets the stage for hostility, intolerance and for scapegoating of powerless people, as my colleague has said. We have layers of regressive and stressful policies which this government has imposed. We have yet to suffer the goods and services tax and an even tougher new budget. We are developing a society that favours the powerful and exploits the powerless. This is the natural breeding ground for racism and scapegoating and intolerance.

Free trade threatens our sovereignty, our Canadian way of life and our jobs. Interest rates are rising. Our dollar is fluctuating and business and consumers are suffering. Lack of affordable housing and high rents are a problem in many areas, certainly in my region of Canada, and people tend to blame and resent newcomers as a result rather than resenting the lack policies that should be solving that problem. Cuts to unemployment insurance and the erosion of social programs, family allowance, pensions and our health care system are government policies that are creating insecurity about the future.

Families need child care, and single parents and children are suffering from poverty. Many people in Canada feel that their children will not have a future as the costs of education rise and employment prospects are diminished. As a result, they often resent newcomers.

Privatization, deregulation and anti-union policies also are negative forces. Regional tensions are growing. The west feels isolated and left out. Eastern Canadians are struggling for survival. Northerners have been denied a say in our Constitution. Quebec wants acceptance as a distinct society. Growing reaction to the Meech Lake

Accord and minority language rights is largely a result of an insensitive government approach.

Yes, Canadians feel a lack of confidence in this government, a lack of stability and a worry about the future. This can be translated into anger and resentment that is projected in many directions. When people's security and livelihoods are threatened, when they face increasing debts and financial burdens, when they worry about their kids, and cannot find a decent job or affordable housing, the frustration and bitterness can turn to rejection and intolerance of those round them. I see it in my riding of Vancouver East every day.

Increasing waves of immigrants from Third World countries become an easy scapegoat, particularly in our large cities. Instead of blaming the government for high interest rates and inadequate housing programs, people often scapegoat the new immigrants, some of whom seem to be able to afford expensive homes.Inadequate public education is another very real cause of misunderstanding and prejudice.

I particularly want to praise Black History Month, which I think is something we should be sponsoring with all ethnic communities so that we have the true history, in a positive sense, of the contribution from various ethnic communities in Canada. It should be part of school curriculum.

The Multiculturalism Act requires participation of visible minorities in all federal institutions yet, unfortunately, Bill C-18 has not even mentioned this as a function of our new Multiculturalism Department.

I want to mention visible minorities on TV. There has been a positive increase in this policy, as commentators and talk show hosts and actors project a positive image which somehow infiltrates into the psyche of viewers. I think this is a very positive trend that should continue, and the CBC has a special responsibility.

Let me summarize several government policies that have a particular impact on ethnocultural communities and which are not helping the whole problem of respect for ethnic minorities.

Disadvantaged people need a voice and an advocate to speak for them in Ottawa. This is why advocacy groups like the Canadian Ethnocultural Council, NAC, NAPO and other groups are so important. Yet, last year the government cut funding to advocacy groups by 15 per cent, and over three years this will be up to 50 per cent.

Again, this is really taking a voice away from powerless and disadvantaged people. These deep cuts seem to be especially targeted to limit the power of groups who speak out for change and represent the views of those disadvantaged people. It is an attack on the powerless in society who are struggling to achieve greater equality and therefore it is a blow to democracy.

• (1700)

Termination of the Court Challenges Program is another very serious problem. The government must continue this program so that the Charter cases involving discrimination against ethnic minorities and disadvantaged people can be heard.

Settlement and adaptation of new Canadian programs are essential for promoting racial harmony, as well as for helping immigrants themselves. Language classes and pre-employment programs should be expanded, not cut. I want to mention particularly the cancellation of the Citizen Instruction and Training Program in April which will make it very difficult for immigrants to get language training. In B.C., 83.3 cent of immigrants have used this program.

Without these programs new immigrants are prone to isolation, ghettoization and racism because they will not have the language skills and understanding of Canadian values to help them participate fully. Backlash from Canadian born citizens is more likely to occur the more that newcomers remain isolated.

This is an example of another policy where the Government of Canada bears a direct responsibility if this trend continues, and I urge it to finance programs adequately. It is an investment that is well worth it in terms of our future.

I could mention many other programs, and I did last night in the late show. There are concerns that our immigration policy is not fair, that it establishes two classes of immigrants: those who can pay to invest money and buy their way into Canada and therefore require fewer points, and those who have to wait for a long time and often cannot get into Canada.

Economic insecurity is one of the major causes of racism and intolerance in Canada. Government policies which will impose a 7 per cent goods and services tax on all Canadians and which will introduce a tough new budget will add to the anxiety and hostility of Canadians. We can predict that regional tensions will increase and

racism and bigotry, unfortunately, may continue to grow. Of course race relation programs are important and needed, but the government also must look at the basic cause and its role in creating an economy and a society that contributes to it.

We call on the government to consider very seriously the lack of confidence that Canadians have in this government in all regions and the negative trends that are growing in Canadian society. We urge the government to ease the burden on Canadians and to bring in a budget that is adapted to the needs of ordinary Canadians and disadvantaged people.

We particularly demand that citizenship and settlement programs, programs that promote multiculturalism and advocacy and those that eliminate racism and inequality, be adequately funded.

Mr. White: Mr. Speaker, I just wanted to make a brief comment to which the member may want to respond.

I listened carefully this afternoon to the first speech from the member for Windsor—Lake St. Clair and also to the member for Vancouver East. There are some things being said that I take great offence to being a member of the government, and I want to mention a few of them because I think it is very important that they be brought forward.

First, it would have been much more beneficial had the original motion been phrased in a much more positive tone. I think the very fact that the motion is worded the way it is turns it into a very partisan matter, and the issue is far too important to be dealt with in a partisan manner.

The member for Vancouver East, as well as the member for Windsor—Lake St. Clair in his speech, talked about the free trade agreement threatening our sovereignty. That is a subject of debate. I do not feel that way.

Members opposite perhaps feel that way. I do not. I do not think it threatens our sovereignty, and I think it is outrageous to say that the free trade agreement somehow breeds racism and bigotry. It is absolutely outrageous. I certainly do not feel that way. I will not take a back seat to any member of this House in supporting minority rights and visible minorities. I just will not accept the suggestion that since I strongly support the free trade agreement I am somehow a racist and a bigot.

The Charter of Rights and Freedoms was mentioned by both of the NDP speakers as well. One thing I did not hear them mention was that the Constitution currently has an override clause. Neither one of them mentioned the notwithstanding clause which threatens the rights of Canadians to freedom of expression, freedom of association, freedom of assembly, freedom of religion, freedom from unreasonable search and seizure, freedom from arbitrary arrest, and freedom of equality. Those rights are all threatened by the notwithstanding clause in our current Constitution. In my opinion that is a much greater cause of concern.

To conclude, the member mentions the funding cuts to different advocacy groups. Of course, for every dollar that the government has to spend there is probably $20 or $30 in demands from different groups that want funding. There are difficult decisions that have to be made. It is easy as an opposition member to say: "Yes, we will fund every single organization that wants money from the government", but there simply is not money there.

To criticize the goods and services tax in the next breath does not make sense. We cannot have a tax on one hand to raise funds and on the other hand say that we cannot cut spending anywhere else. There is only so much money out there for the public to pay.

In conclusion, I agree totally that ignorance does breed racism and bigotry in Canada. It is there. It has perhaps gone underground because Canadians will not tolerate open bigotry and racism any more, hopefully.

Ignorance also applies to government programs. There is great ignorance out there about government programs and policies. A recent poll commissioned by *The Globe and Mail* and CBC concerning the Meech Lake Accord is a perfect example. Some 71 per cent of Canadians do not know what the Meech Lake Accord is or what it stands for.

It is very difficult for me, as a Meech Lake Accord supporter, to defend the accord when ignorance exists. I think it is incumbent upon myself and all members of this House to explain programs like that.

Many of the things the member for Vancouver East and her colleague, the member for Windsor—St. Clair, say are subjects of debate. I feel quite differently about these things. I do not think the free trade agreement, the Charter of Rights and Freedoms, the Meech Lake Accord and the goods and services tax breed racism and bigotry. I would be interested in her comments. I feel one way; she feels another. I am not a racist and a bigot because I support these government programs.

Ms. Mitchell: Mr. Speaker, I know the member is very sincere because I have worked with him on committees. I would like to thank him particularly for mentioning the notwithstanding clause. That was an omission in my remarks, and I think a very important one. It is one that minority groups, certainly in British Columbia, are concerned about and have formed a coalition to rescind Section 33.

The member is absolutely right. The danger is that any province or government using this clause could in effect veto the rights under Section 15 of our Charter. I agree with the hon. member completely, and I am very glad he mentioned that point.

As to the other points, what the government members have not heard or maybe do not want to hear is that we are saying there is a whole combination of repressive measures which have put a great stress on this country and are making people feel very unsure of themselves as Canadians.

Free trade is one of them. It is not that it specifically promotes racism. I do not think I said that. It is a combination of things that is changing our country. The free trade deal is promoting in my view the kind of dog-eat-dog society where competition and profits are the main motivation. We are in danger of becoming Americanized and losing many of the things that are a part of our Canadian value system. That is really why I mentioned that.

The member mentioned the Charter of Rights. Of course I did not say that the Charter of Rights contributed to racism. I think the Charter of Rights, on which I worked very hard with a lot of groups, is a very important step forward in Canadian society. However it does not mean anything as long as civil servants face discrimination as our own employees and as long as we have people experiencing racism in other ways. It is nice to have it on paper, but that is all it is for the people who are involved in those incidents.

• (1710)

With regard to cuts to advocacy groups, I would like to point out that the groups I mentioned are long-established coalitions that have the support of affiliate groups right across the country. They are vital in my view and in the view of most Canadians that know about them in presenting the views of the powerless people. They have been very useful, I know, in some of our committees in helping us to understand the impact of proposed legislation. It is very important that they be sustained. It may be even more important than building new bureaucracies like the Department of Multiculturalism.

We do not have money for everything. Let us put it into community services so people can speak for themselves, rather than bureaucrats in increasing numbers.

Mr. Della Noce: Mr. Speaker, I will be very brief. I see that my colleague has a lot of interest in minority groups, but I was very disappointed when she started to mention the GST and such things.

I must bring to the attention of my colleague that I was an immigrant in 1953. If she compares where we were in 1953 and where we are after the progress of the last five years, she will see that we are in paradise here in Canada.

The hon. member talks about the GST. All immigrants from around the world know about the GST because this was not invented in Canada. It exists in all these foreign countries. I feel sorry that she has to mix partisanship in this issue.

[*Translation*]

Mr. Speaker, I want to say that there are always exceptions as my colleague mentioned earlier, because somebody got such and such a thing. She must know that exceptions happen every day. We, in the Italian community, have just been involved in a specific case. It does not mean that the laws are bad. In the yellow pages published by Télédirect, Platon College in Montreal had substituted the word "mafia" for "Italian" in a list of 22 languages taught. If this is not discrimination, what is it? But one such case does not mean that the laws are bad.

So, even with free trade and the GST, I can testify today in this House that it is a privilege to be a Canadian or an immigrant in Canada. I would like to mention it to my colleague because I am one of them.

[*English*]

Ms. Mitchell: Mr. Speaker, it is a great privilege to live in Canada. I think we have one of the best countries in the world and we are very privileged to live here.

However, that does not mean that there are not negative things going on and that we as Canadians do not have an obligation as the Prime Minister said—and I quoted him—to do something about this, every one of us.

As far as the GST is concerned it is not only my partisan position. Millions and millions of Canadians across the country, everybody we talk to, are concerned about GST and the impact it will have on them. As I pointed out, this is one of many programs that puts great stress on people, particularly lower income people, and that really does promote negative feelings in society.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today we debate the NDP motion:

> That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

I can certainly personally testify that I have seen a tremendous increase in regional tensions and incidents of racism and bigotry in this great country, Canada, of which I am so proud to be a citizen.

I do sense increased insecurity, powerlessness and doubt among many Canadians, but I question whether it is necessarily the policies of the government that have contributed to this, but rather the attitude and the lack of commitment to principles underlying many policies, not just this present government but previous governments have brought into being, which are at the source of the tensions, racism and bigotry in this country today.

In my own riding I have seen doubt rising over the English-French issue in our country. Anglophones are being talked to about a French threat and the division, the dissension, the bigotry and the tension have risen alarmingly and are of great concern to me because I see them not only in my own riding but reflected across this country. I consider that our country is in considerable danger and its very existence is threatened because this particular tension has arisen.

Because of the international debt that we have in this country we have seen many changes to programs, the drawing back of programs that have brought security and freedom to people. As those programs are withdrawn and new taxation programs are imposed upon the people making life more difficult and more painful for Canadians, I believe we that we are seeing a lashing out by the Canadian people against this pain. It is expressed very often in xenophobia, a fear which increases tension and ultimately leads to racism and bigotry.

The bigotry, however, does not refer only to issues of racism. I am thinking, particularly, of the problem of poverty in this country. I recognize a lot of bigotry that surrounds the issue of poverty. As has been reiterated so many times we have one million children in this country living below the poverty line. We have many single parents with children. We have many working families with children who are living at or below the poverty line for whom life is very, very difficult and becomes increasingly more so every day.

As we have heard before in this House, now in the great city of Toronto, Canada, central Canada, the rich part of Canada, we have more food banks than we have McDonald's outlets. This is a disgrace for this nation. I was involved in establishing and working with a food bank program in my own riding some years ago. It was alarming to me to see the bigotry which was expressed in my community against those who were poor.

Much of that bigotry was expressed by some although not by any means by all of the volunteers who were there to serve the poor. The poor were criticized for smoking. They were criticized if they had a glass of beer. They were criticized if they took their children to a fantasy farm for some enjoyment where it cost a few dollars to enter. There was a lot of bigotry expressed against the poor.

I feel that because of a lack of commitment to principles in this country, principles of equality, freedom, understanding and tolerance, these people are experiencing increasing bigotry because of poverty.

The government has failed in speaking out on principle on many of the issues of tension within our country. I felt that the response by the government to the French–English problem was much too late. I personally addressed letters begging and imploring our Prime Minister, our Secretary of State and other members of Parliament to say something, to speak out about the benefit we have in our country through our bilingual policy. It contributes immensely to our country that we have a bilingual and a multicultural policy. We cannot let those policies sit on paper only. We must constantly safeguard those policies, speak out to defend them.

I am very concerned about what has happened to our Court Challenges Program. I sit on the Standing Committee on Human Rights that reviewed the Court Challenges Program. I was one of the authors of the report of that committee which recommended that the Court Challenges Program be continued, not curtailed as has happened so suddenly and unexpectedly during the last few weeks. Our recommendations were that this program be given sufficient funding to carry it through to the end of March 31, 1990, this year, when its mandate terminates. In addition, we recommended that more funding should be found for the program to carry it through to the year 2000.

• (1720)

The Court Challenges Program allows groups and individuals in this country to address minority language and equality rights issues before the courts of this country. It is a program that is essential at this point in time as our new Charter of Rights and Freedoms, which came to this country in 1982, is addressed and implemented.

It is most alarming that the Secretary of State, when questioned about this program, said that he could not convince his government, members of cabinet or his caucus to agree to the recommendations of the standing committee. It sounds as if we are to wait for a budget. The budget for the Court Challenges Program is certainly not enormous, but the benefit of the Court Challenges Program addresses every individual in this country. It is a basic right in itself at this point in time in assuring that people in fact know what their rights and privileges are as citizens of this great country.

I was very alarmed today to read this article in *The Ottawa Citizen* which to me again testifies to a lack of commitment to principle. It represents an attitude of the government which I think is at fault. I believe this is the source of the problem, perhaps more than the policies of the present government. This article is entitled "Advocacy groups fear they're being muzzled". The article says:

> Public servants at the National Council of Welfare were recently silenced with strong hints their $310,000 budget was in jeopardy, according to sources, after they made negative comments about government policy—staff at the National Council of Welfare were told by—deputy minister for Health and Welfare, that the council's budget could be in jeopardy if they continue to criticize publicly in a time of restraint.

This, Mr. Speaker, in a country where freedom is a basic liberty for all of us, a basic right. It continues:

> Council staff director Ken Battle has frequently criticized the "clawback" of family allowances and old age pensions as the beginning of the end of universality of social programs.
>
> Andrew Cardozo, executive director of the Canadian Ethnocultural Council, believes his outspoken criticism of the government's employment equity programs may have deemed his group "unreliable" in ministerial circles.
>
> The council, which represents 38 ethnic organizations across the country, receives $200,000 a year from the federal government. Cardozo is braced for a cut this time around and fears the government will only finance projects it approves.
>
> "This means the government decides what issue you can speak out on and which issues you can't."

I say that this again is indicative of a non-commitment to the principles of freedom, equality and justice in this country, the freedoms that underline our Charter of Rights and Freedoms.

I would like to challenge the government to change its attitude and to take advantage at all times of opportunities to speak out and defend our basic rights and freedoms to make this a country that all Canadians can take pride in and maintain in good order for future Canadians.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to speak to the motion that was introduced by the member for Windsor—St. Clair. It reads:

> That this House condemn those policies of the government which, having bred a sense of insecurity, powerlessness and doubt among Canadians, are a cause of the recent increase in regional tensions and incidents of racism and bigotry in Canada.

Racism affects everyone, not just the new immigrants and the visible minorities. Although they are affected most directly, racism affects everyone. It leads to hatred, discrimination and tensions which in turn leads to violence whether physical or mental.

Racism is a force which destroys the very fabric of any society. It divides communities and prevents friendships. It is inimical to a democratic society like ours, yet it does exist in Canada today. It exists in our schools and in the workplace. It exists in small towns and cities.

Fortunately we can still say that equality of opportunity, social justice and tolerance and understanding are accepted as hallmarks of our Canadian multicultural society, but unfortunately injustices and intolerance still exist in the form of racism.

I recall the Betty Osborne murder in Manitoba which went unsolved for over a decade and the Donald Marshall wrongful conviction which again went undetermined for more than a decade.

Acknowledgement that racism exists in our country will enable us to work together to solve the problem. When racism is eliminated Canada will be a better place for everyone.

I would like to cite some recent examples of racism in our country. I cite the case of Mr. Idris Ben-Tahir, a visible minority who started his career as a public servant in 1963. Since his wrongful dismissal in 1978 he has been subjected to harassment. Although both military and public service investigations where he had worked have found that he was dismissed without cause, today the Department of External Affairs has not yet made any concrete efforts to move him to a position that is in keeping with his academic background and practical experience. What a waste of talents we allow to happen. Despite his impeccable credentials, Mr. Ben-Tahir is relegated to a position requiring a much lower level of education.

Turning to my second example, I am appalled at the racist reaction toward the Sikh community that has occurred as a result of the positive efforts of the RCMP to allow Canadians of Sikh origin who are members of the RCMP to wear their turbans. Canadians of Sikh origin should not have to abandon the religious tenets that are the cornerstone of their way of life to serve the people of Canada in the role of an RCMP officer.

The RCMP and other police forces have recently recognized the need to be more responsive to the communities they are charged with policing, including our ethnocultural communities. That is why efforts are being made to recruit officers from the different groups, and for this I would like to laud the government. This is a progressive step. Without it, charges of racism and discrimination against the RCMP like those levelled against some provincial police forces could occur.

The government, by its inaction on the RCMP recommendation to allow Canadians of Sikh origin to wear their turbans in the force is in effect refusing to allow Canadians of Sikh descent to wear their turbans in the RCMP and therefore we are discriminating against their religion. We are not allowing unlikes to be unlike and yet to be equal before the law. We are forcing unlikes in terms of religion to conform to likes or else to suffer negative consequences.

Turbans and ceremonial daggers are obligatory tokens of the Sikh faith. Any baptized Sikh would not be able to join the RCMP if he is not allowed to wear the turban. The existing dress code is an infringement of their rights under the Charter of Rights and Freedoms. The government must accept the recommendation of the RCMP, and soon.

• (1730)

I now come to the issue of discrimination against our aboriginal people. The 1988 annual report of the Canadian Human Rights Commission stated that the situation of the aboriginal people in Canada is in many ways a national tragedy. I quote from that report:

> The grand promise of equality of opportunity that forms the central purpose of the Canadian Human Rights Act stands in stark contrast to the conditions in which many native people live.

This assessment is at once obvious when we examine our justice system and the representation of natives in the workforce. Native Canadians are over-represented in our prisons, but under-represented in the workforce. This situation is ugly at best.

A 1988 Canadian Bar Association report shows that slightly over 10 per cent of the inmate population in federal penitentiaries comes from the native community. Yet natives make up only about 2 per cent of the

population. It is therefore apparent that the general legal system is heavily weighted against the native population. The bias in the system must stop.

The almost uniformly non-native face of our police forces must be changed. Even if this is changed, there will still be non-native officers dealing with native citizens. Hence the entire police force must understand the context of native culture and the concerns of native Canadians. It is necessary to help ongoing cross-cultural training programs at the policing level. They are also necessary in the court system and in correctional institutions.

Natives do not just face discrimination with the justice system, they are also discriminated against in the field of employment. Employment equity reports confirm that native peoples are drastically under-represented in employment in almost every industrial sector and occupation. This is the case even in places such as Winnipeg where there are large native populations. Sadly, even within the federal government where programs to promote native hiring have been in effect for some time, the representation of native peoples is unacceptably low.

There are other areas of federal responsibility in which the government could do more, not less, such as has been stated. Our Court Challenges Program should ensure the pursuit of minority rights and equality for all. Language classes should ensure the participation of new immigrants and citizens in social and economic spheres. Citizenship classes should be made available so that immigrants can apply for full citizenship so that they feel fully part of our country.

The government could do more in the area of ethnocultural groups which could advocate the rights of new citizens and immigrants, as well as in the area of settlement programs, loans to small businesses and in the non-uniformity of action on the part of the government to deal with minority language rights issues from coast to coast. The government could do more, not less dismantling of social programs.

All of these factors contribute to the tensions that exist in our society. When these programs are not there, the very first to be excepted are the most vulnerable groups in our society, the new immigrants and the new citizens.

The underpinning, as has been said by my colleague, of any good programs and policies were they to succeed would be philosophy—the philosophy that we believe in individual freedom and initiative, that we believe in equality for all. But then, that principle without the concomitant principle of social conscience is not complete.

In conclusion, I would like to cite a description of discrimination given by Justice McIntyre of the Supreme Court of Canada. Justice McIntyre said:

> Discrimination may be described as a distinction, whether intentional or not, but based on grounds relating to personal characteristics of the individual or group, which has the effect of imposing burdens, obligations, or disadvantages on such individuals or groups not imposed upon others, or which withholds or limits access to opportunities, benefits and advantages available to other members of society. Distinctions based on personal characteristics attributed to an individual solely on the basis of association with a group will rarely escape the charge of discrimination, while those based on an individual's merits and capabilities will rarely be so classed.

When we sincerely and seriously understand this message in our hearts and minds, then there will no longer be any need for this type of motion in the future. Today we remain challenged as Canadians to ensure that racial harmony prevails.

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am proud and honoured to stand in this House today to discuss the motion put forward by the New Democratic Party.

I would like to share 10 minutes with my colleague from Delta.

[*Translation*]

Mr. Speaker, I would like today to share with the House my thoughts on a minority that is a very small but very significant percentage of the Canadian population and by that mean natives and the issue of native inmates.

Although natives account for 2,5 per cent of the Canadian population only their proportion is much higher in our inmate population, especially in the Prairies. They come from various language and cultural groups; some are status Indians, others are not. They include North-American Indians, Inuit and Metis. The native culture of course has its very own values and tenets. By reasons of those values and tenets, native

inmates have little understanding or interest for Correctional Services Canada's programs and services.

However, they participate fully in those activities that are organized by other natives or filled with native culture.

Native inmates account for some 10 per cent of the total inmate population. In some Prairie institutions, their proportion nears 50 per cent. They are not a homogeneous group, in the sense that they come from a variety of language and cultural nationalities within Canada's native population. As inmates, they do not participate in mainstream programs and services as much as non-native inmates, which restricts their eligibility for early parole. They are however attracted to activities in which other natives take part, that are introduced by natives or that have a native cultural content.

Generally, native inmates come from socially and economically under privileged communities. Drug and alcohol abuse often is a problem and seems to be a significant factor in offences, involving violence which are more common among natives than non-natives. Poor community conditions also make it difficult for native inmates to develop plans that would allow parole.

Native inmates have special needs and programs should respond to those needs. Although there is no national program that specifically addresses their culture, the Correctional Services have chosen the objective of providing services geared to their native inmates.

The Correctional Services' objective is to offer to native inmates programs and services that conform to their cultural and spiritual needs, in order that they may derive maximum benefit from the correctional process.

On February 15, 1989, my colleague the Solicitor General of Canada approved the Correctional Services' mandate. Strategic objective no 2.2 in the mandate includes the duty to:

> Ensure that the special needs of native offenders be met—

• (1740)

Native spiritual programs have been developed since 1972 and are now available in most federal correctional institutions throughout the country.

The commissioner established a native advisory committee in 1974 to pave the way for discussions on correctional issues concerning native people. More specifically, the terms of reference of the committee include sharing information about native offenders and providing advice on matters related to the services available to and correctional programs for native people.

The committee is made up of Correctional Service Canada staff and representatives of major organizations which are responsible for keeping in touch with the native community and providing spiritual services to native offenders.

Correctional Service Canada officials consulted with spokesmen for the native people to set up programs and services to meet the needs of native inmates. This is why native liaison officers have been appointed in most institutions. They make sure that individual cases are handled in keeping with the cultural aspirations of native inmates so they will have ready access to treatment and social development activities tailored to their cultural background.

Native Elders also go to the institutions to offer spiritual guidance and officiate at sacred rites. Various other activities specifically intended for native people have also been planned in institutions where these people make up a high percentage of the inmate population.

Among such activities I might mention counselling by Elders, reading and writing lessons given by monitors, the temperance groups of the Sacred Circle, programs for re-integration in active life, drug addiction programs, traditional craft, and cultural events. Native fraternities or sororities organized and administered by native inmates operate in many correctional institutions. These group meet regularly, sometimes in the presence of a liaison officer and an Elder, to hold discussions, engage in cultural activities and attend ceremonies.

At the present time the wardens of institutions housing native inmates must make sure that, within the limits of institution security and order, religious programs are made available to the native people. They must see to it that such programs are consistent with native customs, including those which call for the use of traditional objects.

Correctional Service Canada provides services and programs for native offenders like Elders spiritual services. Elders perform traditional religious ceremonies, such as the pipe-smoking and fasting rituals, and act as spiritual advisors throughout the country.

In addition, the native liaison officers program has been extended. Under this program, native officers help native offenders prepare a discharge plan and establish contacts in the community. Special detoxification programs have been put in place and cultural activities have been organized in several places.

Halfway houses for natives, managed by native agencies and subsidized by Correctional Service Canada, offer post-release case management and support services in British Columbia, Alberta, Manitoba, Ontario and Nova Scotia.

Academic upgrading programs for natives have been put in place in our penitentiaries. Native instructors prepare native inmates for life on the outside and give academic upgrading classes.

Making staff more sensitive to natives allows them to become familiar with their culture and more aware of their needs.

Native private agencies have been contracted by Correctional Service Canada to supervise native parolees. In some cases, community discharge programs for native inmates have been made possible by residential and parole supervision services provided by natives.

A training program in native values is offered to Correctional Service employees throughout the country, regionally or locally. There are native friendship groups supported by native liaison officers or elders. These self-help groups stress social, recreational, cultural and spiritual activities in institutions, or most institutions.

Corrections Canada offers a training program in traditional or contemporary native arts and crafts, drum-making and native traditions.

Mr. Speaker, I would have a lot to say and I have a great deal of pleasure in talking about minorities in our Canadian prisons or penitentiaries, for, as my colleague was just saying, everything is difficult for an immigrant, but I think that this government and the minister have done much in the last five years, making the task easier and more culturally feasible.

In conclusion, this government and Corrections Canada work continuously with community interest groups to ensure that native offenders have programs and services that meet their cultural and spiritual needs.

Mr. Speaker, in closing, I would just like to make a personal statement. If we go back 30 years when we became Canadians, you and I, and compare the hell then to the heaven now, as I was just saying, it is a privilege for everyone in Canada to be known as Canadians.

[*English*]

Mr. Pagtakhan: Mr. Speaker, I would like to ask a brief question of the hon. member with respect to the immigration aspect.

As the hon. member knows, family reunification is a fundamental basis of our immigration policy. For that we can all be proud. The government announced recently that it would increase the sponsorship fee from $125 to $250. We know that this type of government service affects only a particular portion of our citizenry, new immigrants and new citizens.

How does the hon. member look upon this increase? Can he tell us why there has been such an increase? Would he recommend to the government that this increase be rescinded and removed altogether?

[*Translation*]

Mr. Della Noce: Mr. Speaker, I am delighted to rise today in the House to deal with this issue and I am grateful to my honourable friend for providing me with the opportunity to do so.

People are aware that there are several ways to become an immigrant in Canada, but there are two I should like to describe to my honourable friend, because we are all getting applications. As a matter of fact, we are getting them not every day, but sometimes by the hour. And when they show up in our constituency offices, it is because they are in a mess. People who want to enter Canada may do so legally, illegally, or again by claiming rightly or wrongly a refugee status.

Therefore, I say to all these so-called refugees who are still abroad to stay away; yet, once they are here, I feel we should help them. As to the $125, it is true that $5 or $10 would be less of a burden, but when we realize there are people who are paying up to $5,000 to enter

Canada under false pretenses and who are coming forward once they are here, people who have to return to their own country, like some Turks or others had to do some time ago. I say that $125 is not that much, although some people may find that a lot. But if it were free, I should like my honourable friend to tell the House where the government would get the money, for Canadians know that now is income tax return time.

By the way, I saw my accountant yesterday. They must be aware that we can no longer increase the taxes, for they have reached the top. That is the reason why Canada must do as other countries are doing. Now, is $125 too much? Would $10 be the ideal amount? I do not think that we could answer this question now, but I am sure that, if there are immigrants who can afford to pay $5,000 to enter Canada illegally— At any rate, for all the files I have in my office, $125—

The Acting Speaker (Mr. Paproski): The question and comment period is over. Debate.

• (1750)

[*English*]

Mr. Stan Wilbee (Delta): Mr. Speaker, I appreciate the opportunity this afternoon of taking part in this very significant debate. It is unfortunate that the debate is in such a negative tone. I think that we in Canada have made real progress in the last few years in our racial relations. I say that coming from the west coast where we have had in the past very severe problems with our native Indians, the Chinese, the Japanese and the East Indians. I think matters have improved considerably, something which has been largely due to the policies of this government. However, we recognize that in Canada we still have significant problems with prejudices against minorities, whether they be racial, religious or whatever.

I would like to spend the few minutes that I have this afternoon to comment on the relationship with our native minorities. I believe that we just need to look at the Manitoba justice inquiry and also the Marshall inquiry to recognize that natives all over the country do suffer from the effects of ignorance and misunderstanding on the part of many Canadians.

We need to recognize also that these prejudices are rooted in hundreds of years of history and that to expect legislation to remove them in very short order is unrealistic. I think that it is worth while to look at some of the things that this government is doing and has done to correct that situation. We recognize that many of the problems that natives face are as a result of poverty and other social problems which our native population has to struggle against. Much needs to be done, both for our native Indians and also the Inuit.

I recognize that both of these groups of people have real hopes and ambitions just as the rest of Canadians have. The Ministers of Indian Affairs over the years have made many changes and changes will continue to be made as policies are required.

One of the major government policies that we are working on at the present time to allow the Indian population to take its rightful place in Canadian society is the promotion of self-government. We have seen, particularly in the last 10 to 15 years, the growing responsibility of the First Nations to assume responsibility for their educational, judicial, social and economic life.

Many of the disadvantages such as poverty are diminishing. As self-reliance and independence become the norm for our native people and the Inuit of Canada, Canadians are seeing the emergence of strong, dynamic partners in our economy, our cultural diversity and prosperity. Much evidence of our efforts to assist the native people can be seen and is becoming more obvious each year.

For example, there is the native justice system. As I mentioned earlier, this is a question which preoccupies all of us in the light of recent events in Canada. There was a federal task force conducted just recently on the question of reserve policing services. It has been shown that native communities are better served by law enforcement based on an understanding of the traditions and culture of these communities.

Administering the law at any time is not easy. It is important that those who are administering the law understand the cultural background of the people they are assisting.

Traditional Indian ways and practices increasingly enhance the peace and the harmony in our native communities. It is the goal of this government to

enhance and increase the representation of native Canadians in the judicial system, as well as in the policing and legal professions. We have an example of that in our own party here in the House.

In many places in the country the number of native Indians in the prison population is entirely disproportionate to the general population. This would indicate to us very clearly that something is indeed wrong. Yet Canadians as a whole are developing a much greater awareness of the problems which our native Indians face.

Just last September there was an Angus Reid poll conducted in Canada. More than half of those polled believe native people were not treated fairly by the courts; and 70 per cent believe that native people have more difficulty getting hired for good jobs than do white Canadians. Most feel that aboriginal people deserve to be a lot better off financially than they are. It was not natives who said that but a cross-section of all Canadians.

Canadians in this same poll also said they are much more likely to support rather than to oppose aboriginal self-government. Over half of those surveyed agreed with the statement that the Canadian Constitution should specifically recognize the right of Indians to govern themselves on their own lands without interference from white society.

These are very encouraging opinions. We need to recognize that in spite of all the bad stories, there is a large reservoir of goodwill and understanding out there. These are the types of things we need to work with to culture and develop.

There have been many policies put out by Indian Affairs to do this in working with the native organizations. This bodes well for our growth as a tolerant and caring society.

I would like to thank the hon. member for Windsor—St. Clair for giving us this opportunity today to confront the fact of racism and bigotry in Canada and to consider our response as individuals, as members of Parliament and to renew our resolve as good men and women to do something about it. We know we must continue to ensure that the government carries out its duty to continue a relentless effort to eliminate racism and bigotry wherever it arises.

The Acting Speaker (Mr. Paproski): It being 6 p.m., it is my duty to inform the House that pursuant to Standing Order 81(17), proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been made moved.

AGRICULTURE

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, on October 23, I asked the Minister of Agriculture to stand up for the Canadian farmer rather than continue to stand idly by as the United States Secretary of Agriculture fulfilled his words with additional disciplinary action being taken in the area of Canadian farm subsidies.

At that time I pointed out that the government had already allowed the United States to discipline our pork industry and our milk producers and that it appeared that the United States wanted to discipline our Canadian Durum wheat producers. Although the Durum wheat producers had not yet been disciplined at that point, they were sending shipments of Durum wheat into the United States.

I note that at the present time they are not permitted to compete with the United States in that market as permits for export are no longer being issued by the Canadian Wheat Board. When the United States threatens to discipline us, the Canadian government does it for it by refusing to issue those permits.

The minister talked tough on that day, as he did recently in Toronto, but little or no action has been taken since that day in October.

In Toronto he said he might test Article 701.4 of the free trade agreement to see if it has any teeth. Clearly, as those in the fisheries know, the free trade agreement is all bark and no bite. If the free trade agreement had any bite, surely the government would have used it long ago.

On October 23, I asked the minister to start disciplining the United States for its use of the Export Enhancement Program. The minister told Canadians on December 20, 1989, that the Bush administration wants to ratchet down export enhancement. The budget for the

Export Enhancement Program is $566 million U.S. for the year 1990. For 1991, the budget has been ratcheted up, rather than down, to $900 million.

On October 23, the minister dismissed the Durum farmers' concerns saying: "It demonstrates to the people of Canada and the world that Canada can compete with the best of them".

How is the Canadian farmer to compete with a $900 million United States subsidy that is stealing their markets away? How is the Canadian farmer to compete against American subsidies that Mr. Yeutter admits run at a level of $21,000 U.S. per farmer, $5,000 more than Canadians receive?

The minister told the House on October 23 that United States Durum producers receive subsidies of $40 to $50 a tonne more than Canadian producers of Durum wheat.

In the week of September 21 the United States sold 22,000 tonnes of Durum wheat under the Export Enhancement Program at a subsidized rate of $6.48 a tonne.

In October the United States sold hundreds of thousands of tonnes of grain to Egypt, Algeria and the USSR under an Export Enhancement Program of $8 a tonne.

On January 8, 1990, the United States sold 300,000 tonnes of grain to China under the Export Enhancement Program; and on January 10 it followed with a sale of up to 500,000 tonnes of wheat to Russia, subsidized at a rate of $20.50 a tonne, or 56 cents a bushel.

Now the minister is having a study done to determine the level of subsidies to United States farmers. Well, we on this side of the House have called on him to do that for almost a year. Has the minister looked into those subsidies? Can the minister not see the effects of the Export Enhancement Program? Perhaps he should read the farm income levels that his office issued in December.

What is our government doing to defend our farmers? What bold initiatives has the government undertaken to secure our world markets to ensure the viability of our farmers? The government cancelled $399 million worth of agriculture programs in the last budget so that it can claim to be the Boy Scouts of international trade.

Mr. Yeutter told the United States Senate in April of last year that "if the Geneva negotiations are successful, we will be writing a segment of the European communities 1991 farm bill in Geneva rather than Brussels. That is obviously one of our objectives. We will also be writing a major segment of the farm bills of Canada, Brazil, Argentina, Australia and seven other countries in Geneva and we want to do that too".

If we look at our budget in Canada in the 1989 period, and he did just that, the budget added $60 million a year to farm costs, and increased the costs of the average prairie farmer by $1,000 per year. How is the Canadian farmer is to compete with the $900 million United States export enhancement program?

The list of items cancelled in the last budget is incredible in the face of the escalating trade war. Crop insurance was cut by $200 million, the at and east grain and flour subsidy was cut by $60 million, the rail branch line rehabilitation program was cut by $48 million, grain and crop advance payments were cut by $54 million, the dairy export was cut by $12 million, commodity-based loans were cut by $15 million and the Canadian Dairy Commission was cut by $10 million. There were total cuts of $399 million.

I ask the government what it intends to do to counter the Export Enhancement Program while there still is an agricultural industry left in Canada, based on the concept of the family farm that has served us so well for so many years in this nation.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member has put on the floor of the House a technical and complex question, and I will attempt to respond on behalf of the minister in those terms.

American Durum growers are wrong to complain continually about our exports of Durum for pasta and noodles, and they are wrong to threaten countervail action. American millers buy Canadian Durum because of Canadian quality and Canadian reliability. The U.S. Durum wheat industry and elected officials from North Dakota have alleged that prices for U.S. Durum have declined because of these imports. These concerns are not well founded.

Canadian Durum sales have developed since late 1986 to supply growing U.S. demand for high-quality Durum wheat which U.S. growers are unable to meet because of short-falls of U.S. supplies. U.S. farmers reseeded a reduced acreage to Durum in 1988 which happened to coincide with drought-reduced yields 40 per cent below 1987 levels and more than 50 per cent below yields earlier in the decade.

The result of the reduced acreage, plus the reduced yield experienced in 1988, was that U.S. production declined by more than 50 per cent from the previous year to 45 million bushels, while the total supply declined by 28 per cent to 141 million bushels.

At the same time, domestic consumption increased sharply from 50 million bushels to 61 million bushels. In other words, production was not even sufficient to cover domestic needs. Even though U.S. exports declined from 62 to 20 million bushels, U.S. stocks had to be drawn down from 80 to 60 million bushels to make up for the production shortfall. Imports increased to 13 million bushels from 7 million the previous year in response to the drought-reduced supply.

U.S. stocks have dropped steadily despite marginal imports of Durum. Also, exports including subsidized exports of U.S. Durum have on average exceeded total domestic value. It should be noted that the U.S. subsidized the export of 7.3 million bushels of Durum exports at a total cost of U.S. $4.1 million to Algeria in 1988-89. This Durum was delivered during the period November 1988 to April 1989 when it was clearly apparent that U.S. production was insufficient to cover even domestic consumption.

Apparently production in 1988 returned to pre-drought levels and USDA forecasts that imports will decline by almost 25 per cent to 10 million bushels. Domestic consumption is expected to decline from earlier levels but still exceed pre-drought levels. Export levels are also expected to be near pre-drought levels. Our exports of Durum to the United States are normal commercial sales by the Canadian Wheat Board. There is no intention to artificially limit these sales, particularly when there is continuing demand for high-quality Durum.

• (1805)

Therefore, there is this explanation of the existing import-export. The suggestion the minister wants to make is that before U.S. authorities continue to make unsubstantiated claims that our exports are the cause of price declines in Durum that they take another look at what is going on within their own borders, and more specifically at their Export Enhancement Program. There is action today in the United States and our government welcomes the investigations which we are confident will show that any problem faced by U.S. Durum wheat producers are not caused by Canada.

NATIONAL DEFENCE

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, when I asked a question of the Minister of National Defence on November 28, my question to him concerned the low-level flight training in Nitassinan. I asked if the minister would consider responding to these confidence building measures and peace moves by the Warsaw bloc to the Canadian women's groups, native groups, church and other groups which today were present in his office by restricting the low level flights and other training over Goose Bay and Nitassinan instead of increasing them from 7,000 to 40,000 according to the outdated NATO plan. Those are excerpts from my question.

His answer was:

> The hon. member puts forward a suggestion that would mean that Canada would act unilaterally as a member of NATO.

In fact, Mr. Speaker, it would not be unilateral. Poland and other members of the Warsaw Pact had already been reducing their low level flights, and for Canada to respond would have been a bilateral response. So the minister's response was patently false. Therefore, there is a need to look at what is the basis of his answer. That is to say the basis of his answer is clearly suggested in the news release of October 31 which states:

> The environmental impact statement concludes that increased low-level flight training and a NATO Centre hold the potential to secure the future of CFB Goose Bay and bring up to two billion dollars in economic and employment opportunities to Labrador, Newfoundland, and the rest of Canada.

In other words, the falsity of the minister's answer was clearly related to the claim of $2 billion potential benefit made in the environmental impact statement put out on behalf of the Department of National Defence.

This statement has been attacked by several dozen experienced and expert researchers on the environment, one of whom, a Dr. Bargen stated that he had examined about 150 pounds of such statements and this was the worst one that he has seen.

One thing they have done is to ignore the human problems that are now being caused by these flights. I refer to the study done by the experts hired by the Federal Environmental Assessment Review Office from which I quote some of their remarks as reflected in today's *The Globe and Mail*:

> High rates of alcoholism, suicides and teen-age pregnancies in the Goose Bay area of Labrador were ignored in an environmental impact study of the low-level flying done for the Department of National Defence, groups, representing doctors, lawyers and women say.

These are based on the study itself and on their critique of the study.

> Marion Keran, spokesman for the Canadian Voice of Women for Peace, said the study has failed to examine the effect on native women of the proposed influx of 60,000 military personnel, most of them young men, if a North Atlantic Treaty Organization base for tactical low-level flying is established at Goose Bay.

She is quoted as saying:

> There is no mention of the increase in alcoholism, sexually transmitted diseases, illegitimate babies, the housing crisis, social disruption and other issues pertinent to women and communities.

• (1810)

Another commentator, Marion Mathieson, spokesman for the National Action Committee of the Status of Women, said there is evidence of women living near military bases in Cold Lake, Alberta, West Germany and the Philippines being victims of sexual assault and suffering sexually transmitted diseases after contact with military men.

She went on to say that the consultants who drew up the impact—and this is quite serious, Mr. Speaker—study also ignored federal regulations requiring them to examine any impacts of a project because of the age or sex of the people affected. In other words, they did not look at the special effects of noise on children, and they did not look at the special effects of those military men, 60,000 of them, on the women of the neighbourhood.

The study was also attacked by Health Professionals for the Prevention of Nuclear War who stated that "the over-all scientific quality of the information presented is poor and the amount of information relating to health issues insufficient to support meaningful discussion."

The government hired three reviewers to look at this statement and one of them, Sheila Zurbrigg, said that it is unconscionable that the review did not examine predictions of increases in sexually transmitted diseases because of the increase in military personnel at the base.

Another matter that was improperly done was the study of the noise effects that the low-level flights would have. The study claimed that they would be negligible, but Doctor Zurbrigg said that the study did not examine the West German studies and the one done by the Canadian Public Health Association in 1987 which suggested that loud unexpected noise could cause physical and psychological problems, particularly for young people.

It is also pointed out by the Halifax chapter of the Lawyers for Social Responsibility that the study made a fundamental error in ignoring the land claims of both the native Innu and Inuit groups in Labrador. Both of these groups oppose the low-level flying because it disturbs the game on which they depend for hunting.

There are a number of other faults as well which are pointed out by an independent group of experts that reported yesterday. For example, they point out that the EIS from the Department of National Defence fails to properly assess the economic and social costs of the project. In fact, they say it is grossly inadequate in its assessment of the economic benefits. In other words, the $2 billion, according to these experts, ain't there. The $2 billion, which is obviously the motivation, is an exaggeration, not to mention the social costs.

They also point out that there is failure to include a specific plan. They talk about monitoring. They say that monitoring will fix it all up. They will monitor where the flights go and make sure there is nobody there, but they do not give any monitoring plan. The Innu have told us that in fact even when they have given them the co-ordinates and say they are going to be camping next week in such and such an area, the flights continue to over-fly them.

Finally, there is inadequate assessment of past, present and future impacts of fuel dumping. Fuel is dumped in the rivers and lakes and has a poisonous effect on the fish.

All in all, the study has about 100 major flaws according to these experts. Yet today the government refused to give any serious response to the questions of the hon. member for Skeena as to whether that faulty, entirely inadequate study is going to be used as the excuse to go ahead, notwithstanding the severe environmental impacts.

• (1815)

I call on the Government to reconsider the whole environmental study, to start a new one and in the meantime, as the Innu had asked, to stop the low-level flight training until that new study has been completed.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first I would like to make a preliminary remark to my colleague. In my answer, I will deal mostly with the first part of the question raised by the hon. member for Brant (Mr. Blackburn), in which he had asked supplementary questions. After that, I will be pleased to come back to the question of low-level flights, like he just mentioned, to give a more complete answer.

[*English*]

Even with the normalization of political and military relations in Europe, Canada will continue to require a modern, capable armed forces for air defence, for the defence of Canadian territory, for the defence of Canadian maritime interests and for participation in peacekeeping operations.

The hon. member will recognize that the changes that are taking place in Europe have the potential for changing not only the military threat in Europe, but the whole spectrum in east/west military balance.

As the Prime Minister has already stated to the hon. Leader of the New Democratic Party, progress has been made in the last number of years and it has been remarkable in the last few months. Indeed, this progress has been brought about in large measure by the solidarity of NATO, and we propose to keep it that way.

Given the enormous changes that are taking place in eastern Europe on an almost daily basis, any changes to the current structure of the alliances could be destabilizing with respect to the initiatives that are currently under way.

The hon. member will recognize that we have made a series of recommendations for building bridges of friendship, including programs of talks and expanded military contact which reflects the dramatic improvement in east/west relations and contributes to the process of confidence-building in military affairs.

The hon. member will recall that in recent months, members of the Canadian Forces held meetings with their counterparts in the Soviet Union. Let me emphasize that their goal was that of confidence-building, of reaching understandings with one another and being able to bring about a climate of peace and security to the world. However, Mr. Speaker, differences that are recognized by both sides remain and we should continue to be prudent. We consider that a cohesive and strong NATO alliance remains vital for both political and military consultation and for managing the transformation of east/west relations.

FISHERIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the question which I raised had to do with the very serious problems which are affecting Atlantic Canada around the reduction of activities of National Sea Products. In the questions that I raised, I was particularly concerned with the results for the community of Canso and for the workers of National Sea within that community. There were essentially three questions which I raised.

The first question was to ask the government what it was planning to do for the future of those workers who would not benefit from jobs under the so-called saviour plan of National Sea. There was no answer to that question.

The second question was why the trade union involved representing those workers had been left out of the negotiations which had taken place. If those workers had been represented and able to put their point of view in the negotiation process, I would have thought that a much better result could have been expected. But they

were not represented. I raised the question, and once more no answer was given by the government.

• (1820)

Finally, I asked the government when it was going to protect workers in Atlantic Canada—and one could make the same point for workers across the country—from arbitrary plant shutdowns on the part of companies that do not take into account the serious detrimental impact on local communities which results. To that as well there was no answer provided.

The reality which results for the community of Canso, for the plant operations in that community, can be summarized in the following terms: the trawler fleet itself of National Sea has been taken out of the community, 120 jobs permanently lost; the marine division, 70 jobs permanently lost; the outside wharf work, 100 jobs permanently lost; the night shift, 175 jobs permanently lost; the meal plant, 50 jobs permanently lost.

Employees will not be entitled to severance pay because the company does not consider this a plant closure. When the plant reopens, a maximum of 150 jobs will be provided in a plant where 750 people once worked. It is true that these jobs will be shared so that there might be perhaps 300 people who benefit from the jobs themselves and the UI benefits which result from them, but there will only be 150 jobs left and fish will be trucked into Canso from other National Sea facilities in Lunenburg or Louisburg.

There is no guarantee of how much work per year will be available. For the community, this will be devastating with 600 people no longer earning an income. The result, as the union put it this proposed saviour plan, is nothing more than a band-aid resolve to a situation which required major surgery. The life of this community will be slowly sucked out.

I come from the community of Windsor, Ontario, in which the same kind of detrimental impact hit our major employer, Chrysler, in the early 1980s. The government of this country provided help. As a result of that help Chrysler revived and now provides tremendous employment possibilities throughout the community.

The community of Canso and the Atlantic fisheries communities in general deserve the same kind of generous response from the Government of Canada. It is with great disappointment that I see this government's failure to provide that kind of generosity and care for the people of the communities of Atlantic Canada.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by reminding the hon. member for Essex—Windsor it was National Sea that made the decision to close the fish plant in the town of Canso.

It was when the Government of Canada and the Province of Nova Scotia prevailed upon National Sea Products to review their decision that the board of directors of the company met on February 6 to approve a plan which was intended to help safeguard the future of the town of Canso.

National Sea Products Canso plant and trawler port were scheduled to close permanently on April 2, because the company did not have enough fish to process, having lost 159 million pounds of fish quota since 1984. I do not have to remind the member of the difficulties, the crushing problems, that have been created by the depletion of the fish resource.

• (1825)

After extensive discussions with the Government of Nova Scotia and the federal government, the company decided that the plant in the town of Canso would remain open and would provide 300 time shared jobs on a long-term basis. The trawler port of Canso will close as scheduled on April 2, 1990. However, subject to the collective agreements in place at other National Sea trawler ports, the company expects the 128 trawlermen employed at Canso to have employment opportunities at those other ports.

This decision is made possible by National Sea's increased processing of fish from the pool of underutilized species, as identified by the federal government in the 1990 groundfish management plan and utilization of other fish available to the company in 1991.

In addition, the company has made application under generally available programs from federal and provincial government funding to replace the plant's refrigeration system for environmental reasons. The plant is expected to close as scheduled on April 2 to begin the replacement of the refrigeration system which will allow for the projected future work. Because of the environmental sensitivity and scope of the project, the plant is expected to reopen by December 1990.

I want to assure the member that the Government of Canada, the Minister of Public Works and the ministry generally are working with ACOA, National Sea Products and the Government of Nova Scotia to provide whatever assistance can be made available so that this package will be provided to the company in order to keep the Canso plant open indefinitely.

At the same time, I want to respond to one or more other comments that the member made, because he should know that other programs will be made available to workers. The Older Workers Program will be one of those that can be applied in this case. He mentioned the involvement of the trade union and the workers of the plant. Of course, the Minister of Public Works and the government are well aware of the role played by workers. Indeed the whole purpose of the exercise is to ensure that whatever work can be made available to the workers is made available.

I hope the hon. member and the people of Canso will not take the attitude taken by Mr. Jim Sorrell of the Canadian Auto Workers, as reported in the February 7 issue of the *Halifax Chronicle Herald*, because he said that "the town is history" according to that media report.

We are all trying with all the resources at our disposal to ensure that the plant is kept open and that there is as much work as possible for the plant workers and the trawlermen. In that way we hope to preserve the town of Canso.

The Acting Speaker (Mr. Paproski): I would like to remind hon. members that tomorrow is February 14 and that they should remember their loved ones.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, February 14, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

HEALTH

Mr. Joe Fontana (London East): Mr. Speaker, there are large numbers of tin cans held together by lead solder in our grocery stores. The poisonous lead from these cans is absorbed by the food we eat. In small amounts it can cause loss of intelligence in children.

A study of cans purchased in Canada showed non-lead soldered cans with lead levels of 17 parts per billion, but the lead-soldered cans averaged 227 parts per billion. In one case the levels for one serving for a child had three times more lead than allowed by the World Health Organization.

Not all companies use lead solder and these companies must be congratulated for their concern for the consumer, but this government cannot be congratulated. It is the job of Health and Welfare to monitor lead levels in food, but the department's regulations cover only eight products, and allowable lead levels range from 80 parts per billion to 15 parts per billion.

Experts say that these standards are 20 years out of date. When this government says the lead levels fall below the acceptable amounts, we know that they are using meaningless standards.

What will this government do to assure people like Meagan Walker and other Canadians that they are not eating food with unacceptable high levels of lead contamination? Will this government set new standards that protect the Canadian consumer from domestically produced and imported lead-soldered cans?

GERMAN UNIFICATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the Open Skies Conference, while a good idea and successful in itself, was also a timely opportunity for ministers of NATO and Warsaw Pact countries to sit down at the same table with a common purpose and, in so doing, to prefigure the Europe of the future.

In this respect, I think it is important that the debate about German unification not be captive to the language of the cold war era now ending. We must go beyond debate about whether the new Germany will be part of NATO or whether it will be neutral. Both these ways of looking at the issue presuppose the continuation of a Europe divided into two camps.

Instead, we should be talking about a new common security system for a Europe that extends from the Atlantic to the Urals, a common security system into which NATO and the Warsaw Pact must be absorbed and joyfully disappear.

Common security in Europe must be accompanied by common security elsewhere, particularly in the Arctic, and in this Canada has a special role to play. Perhaps NORAD should also be absorbed some day soon into a common security regime that involves Canada, the United States, the U.S.S.R. and, indeed, other circumpolar nations who share the goal of a demilitarized, non-nuclear zone of peace in the Arctic.

* * *

GOODS AND SERVICES TAX

Mr. René Soetens (Ontario): Mr. Speaker, I rise today to make you aware of the great benefits the goods and services tax will bring to those parts of Ontario that are industrial areas. Notable in those areas are the automotive centres of Oshawa, Oakville, St. Catharines and Windsor.

When the existing 13.5 per cent federal sales tax is removed from the price of an automobile, domestically produced cars will go down in price, making them more competitive with imported cars. That means more sales

of cars produced in Canada with a direct benefit to the communities where those cars are produced. More production means more jobs.

The MPs of the Oshawa area, as well as those in the Oakville and St. Catharines areas, understand this significant benefit for their constituents.

With such a positive result on the economic health of their constituencies, what is wrong with those MPs who represent the Windsor area? Why are they not standing on their desks in this place admonishing those in opposition to the GST to get on side?

I hope the people of the Windsor area remember that their MPs are not willing to allow their constitutents to benefit from the GST. Fortunately, they are a small minority in this place and those with a vision for Canada will decide in the end.

* * *

[*Translation*]

TRIBUTE TO ÉDOUARD JANNETEAU

Mr. Guy St-Julien (Abitibi): Mr. Speaker, today on behalf of all those who knew him, I wish to pay special tribute to an extraordinary man from Rivière Héva in Abitibi, Édouard Janneteau, who died on February 11, 1990 after a long illness. His career was long and impressive, so I will mention only a few of his many contributions to the well being of his fellow workers and the community. He worked at Noranda Mines for five years, was group leader for the union, and from 1964 to 1990, was the United Metal Workers of America union representative for Abitibi, Témiscamingue and James Bay. He helped establish credit unions in Val d'Or, Rouyn-Noranda and Malartic, and one that will open shortly in Rivière Héva. He was concillor for two years and then mayor of Rivière Héva from 1985 to 1989.

Mr. Speaker, Édouard Janneteau was known as a man who listened to what people had to say and gave good advice. Personally, I will never forget the advice he gave me when I was a member of the metal workers union in Matagami and recently as a member of Parliament. I wish to offer my sincere condolences to his wife, Anita, his children and his family.

• (1410)

[*English*]

YOUTH UNEMPLOYMENT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the students of this country deserve better than they are getting from this government. First of all, the government takes away a lot of the equalization payments, thereby reducing the funding for education. Now the Minister of Employment and Immigration has said that she is going to cut the SEED program to make funding for a program to keep young people in school.

She says that the cost of providing jobs for students during the summer months has been taken over by the private sector and does not need to be financed anymore. That may be the case in Toronto, but it is cold comfort for students in Atlantic Canada. As a matter of fact, this is going to run contrary to the intention of the minister because students who find that they do not have summer jobs when they go to university are not going to stay in university.

Why is this government taking from one needy program to give to another? When is the government going to live up to its responsibility to the students of this country?

* * *

OPEN SKIES CONFERENCE

Mr. Ross Stevenson (Durham): Mr. Speaker, the broad agreement for the Open Skies treaty announced yesterday by the 23 foreign ministers from the Warsaw Pact and NATO nations is truly a revolutionary achievement in international arms control.

The holding of this historic conference at Ottawa reflects the long-standing commitment to world disarmament by our nation, our Prime Minister and our Secretary of State for External Affairs. This Canadian advocacy is exemplified by such commitments as our leading role in seismic detection of underground nuclear tests.

It is singularly appropriate that our non-militaristic nation should host this landmark meeting which not only paved the way for aerial surveillance of disarmament but also provided a forum in which superpowers could achieve breakthroughs in troop reductions. This is a

week when the entire world hears good news from Ottawa.

* * *

OFFICIAL LANGUAGES

Mr. Stan Keyes (Hamilton West): Mr. Speaker, it is with a great deal of pride in my hometown that I stand in this place today to report to this House the decisive step taken by the city of Hamilton in reaffirming minority language rights.

Last night city council overwhelmingly re-affirmed its commitment to respecting minority language rights in Hamilton. The message is clear and echoes the words and beliefs of the commissioners of the Royal Commission on Bilingualism and Biculturalism who, in 1967, stated in relation to bilingualism: and I quote:

> The history of countries with more than one language and culture shows how often rigid attitudes held by majorities have made common life difficult, if not impossible. For the majority to hold back from acts within its power or to allow events it would be able to prevent, out of respect for the minority, is not a product of weakness but a step forward in civilization.

* * *

VIA RAIL

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, the Supreme Court of British Columbia ruled last month that rail passenger service on Vancouver Island was a condition of B.C.'s entry into Confederation.

As a result, Vancouver Islanders have managed to defeat the government's destructive policy and to keep their passenger trains operating. Unfortunately, what the government could not do legally it is now trying to do through the back door. It has increased fares by 32 per cent, downgraded the service and has not maintained the cars to proper standards. In short, it is sabotaging the service.

Last week I filed an appeal against VIA's fare increase on Vancouver Island and my colleagues and I are asking municipalities, chambers of commerce, labour councils and individuals on the Island to support the fare appeal and to call on the federal government to change its policy.

If VIA's passenger service on Vancouver Island is properly maintained and properly marketed with appropriate schedules and fares, we on Vancouver Island will prove to Canadians that not only can VIA reduce the need for subsidies, it may even make a profit.

* * *

REGIONAL DEVELOPMENT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, the latest attempt by the Mulroney government to fill the Prime Minister's promise of generous assistance to the Atlantic fishery would be laughable if it was not so cynical. After mismanaging the fishery into a state of collapse, the government has the audacity to come in and announce a rescue plan which will effectively close the port of Canso and cut the workforce in its fish plant by up to 70 per cent.

Where is the generous aid package promised over and over again by this Prime Minister? What about the people of Lockporte and Port Mouton who lost their plants last spring and have watched their communities slowly die while the Tory politicians from Atlantic Canada twiddle their thumbs in Ottawa?

The Deputy Prime Minister has stood in his place and bragged about the $21 billion given to western farmers over the past five years. How does that compare to the east coast fisheries? We have yet to see one red cent or one new program. So much for the Prime Minister's rhetoric for equal and generous treatment.

We may be plain folk who fish by the sea, but this government should not mistake our sincerity for stupidity, for we will continue to stand and stand together in demanding that this government come up with the programs and funds necessary to save our communities which face extinction because of this government's indifference.

Mr. Prime Minister, do the right thing, treat Atlantic Canada as an equal partner in this confederation of ours and do so today.

* * *

ETHIOPIA

Hon. David MacDonald (Rosedale): Mr. Speaker, several weeks ago people around the world were very appreciative of the efforts of the Archbishop of Canterbury when he was able to announce that there was a relief corridor agreed to by the government of Ethiopia that would allow relief supplies to those who are in the

principal province of Tigray to receive assistance during this critical famine period.

Unfortunately, during the past few days, war has again taken over and the principal port of Massawa has fallen. There is a threat to the other port of Asab, and it appears quite likely that relief supplies may again be constricted.

It is to be hoped that both peoples, governments and organizations will use every effort to persuade all the combatants that these relief corridors be opened up in order to save the lives of millions of innocent civilians.

* * *

NATIONAL PARKS

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, this government may be on the verge of making one of the largest wildlife management decisions in the history of this country. Agriculture Canada has recently put forward an unrealistic proposal calling for the complete eradication of bison herds affected by brucellosis or tuberculosis in Wood Buffalo National Park.

While perhaps satisfying the concerns of ranchers encroaching on the park, this recommendation ignores the fact that large questions remain about the geographic occurrence of the diseases, the genetic significance of the bison and the ecological impact of such a policy of eradication.

Yet despite these important deficiencies in the Agriculture Canada proposal, this government has refused to fund research into alternative resolutions to the problem. There is almost no federal funding available to look into alternative policies such as herd control or vaccination programs. Moreover, the aboriginal peoples of the region affected have not had the opportunity to participate effectively in the environmental assessment process.

Therefore I urge the Minister of the Environment to implement a six-month extension on the public hearings looking into the issue of the Wood Buffalo National Park bison herd and further, to provide intervener funding so that all interested groups, and especially aboriginal peoples, can participate effectively in managing this important wildlife resource.

THE FLAG

Mr. Bob Horner (Mississauga West): Mr. Speaker, not only is 1990 the beginning of a new and exciting decade for Canada, it also marks the twenty-fifth anniversary of our Canadian flag. On February 15, 1965, the distinctive red and white maple leaf flag was raised over Parliament Hill for the first time. Since that historic moment, the flag has truly become an emblem of our nation. When the people of the world look upon it, they immediately think of Canada as the land of opportunity and as a caring and compassionate country.

We must not overlook the importance of our flag. It is symbol for each of us, one which portrays the peace and justice that all Canadians share. Future generations will be able to look proudly upon our flag as the embodiment of Canadian ideals and of the country, and honour it in a variety of ways as unique and colourful as Canada itself.

I urge all hon. members to do their utmost to participate in the events of February 15 and to promote our Canadian flag throughout the whole year. Together we must inspire our fellow Canadians to join us to honour and celebrate our flag and to be always aware of what it represents to each of us as members of Parliament and as proud citizens of Canada.

ORAL QUESTION PERIOD

[*Translation*]

GOODS AND SERVICES TAX

Hon. Herb Gray (Leader of the Opposition): Mr, Speaker, my question is directed to the Deputy Prime Ministre. The minister knows that the *Fédération de l'âge d'or du Québec* which represents more than 200,000 people, has submitted a brief to all parties, describing the disastrous impact of the government's policies on senior citizens. The federation has asked the government to withdraw its proposed goods and services tax. This new tax, as the federation so accurately said, will cause unprecedented hardship for senior citizens, especially those on fixed incomes.

Will the government listen to our country's senior citizens and drop its GST proposal? How many times will we have to ask this government to drop this unfair tax proposal?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, as the Minister responsible for Seniors, I met the *Fédération de l'âge d'or du Québec* yesterday, and this was only one of many meetings we have had during the past year. I would urge our opposition colleagues to support the GST bill, Bill C-62. If you have a heart for seniors as you seem to have for so many things, please support our proposal because it respects Canada's senior citizens.

• (1420)

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, if the minister had really listened to the demands of Quebec seniors as stated in this brief, she obviously would not give such an answer.

Mr. Speaker, the 200,000 members of the *Fédération de l'âge d'or du Québec* are in a good position to know that the GST is not the only bad government project affecting them. They also denounced the planned clawback of their pension cheques by the government, which calls into question the universality of pensions. They feel betrayed by a government and a prime minister who called social programs a "sacred trust". So I ask the Deputy Prime Minister: Will the government finally listen to seniors and today abandon its plan to claw back pensions, which is a very unfair measure?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I repeat that I find it regrettable and very serious that seniors are given such misinformation. I have met seniors, I repeat, and as my colleague the Minister of Finance has said so well many times, the measures we are proposing with the GST are part of tax reform, and this government's philosophy is to respect people who need support. As a minister and Cabinet member, I support this measure we are proposing and, please, let's give seniors the correct information so that they can make the right decisions.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, we in the Liberal caucus also received the Quebec seniors and I again repeat that they obviously do not accept the minister's answers. One may also ask why the minister does not have enough respect for the intelligence and judgement of the seniors from her own province.

[*English*]

The minister is not telling the whole story. Why did she not tell Canadian seniors about the flaws in the clawback provisions of her legislation and the negative impact of its sales tax project on seniors in this country? It is absolutely shameful that the government is deliberately taking from seniors the pension benefits they deserve and have a right to expect. It is doubly shameful that the government—

Some hon. members: Order.

Some hon. members: Question.

Mr. Speaker: I would ask the hon. gentleman to complete his question.

Mr. Gray (Windsor West): Mr. Speaker, the government is also bringing in a sneaky hidden sales tax.

Some hon. members: Order, order.

Mr. Speaker: I ask the hon. gentleman to complete his question.

Mr. Gray (Windsor West): Why will the government not scrap its new sales tax? Why will the government not claw back its clawback of seniors' pensions? Why will the government not stop picking on senior citizens?

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I certainly have no lesson to learn on my ability to listen to seniors in this country. I listened to them. We explained our measures and I will always support a fair and equitable social and economic measure that will enable us as a responsible government to maintain our social programs, to improve them and especially to allow room for new measures for seniors who really need them. I repeat, if you care about seniors' interests so much, please support the GST!

Mr. Douglas Young (Gloucester): Mr. Speaker, my question is for the Minister of Finance.

Will the minister and his government continue to insult the intelligence of the senior citizens of this country who are very well organized and who are telling

the government that the GST is an unbearable burden for people living on a fixed income?

Are you going to listen to the senior citizens who are very well organized and who understand perfectly what the GST means, and are you going to respond to their claims?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I have said on many occasions in this House, we have listened very carefully to senior citizens and we have designed this tax having in mind the interests of senior citizens and the position that they are in. As I have said, 75 per cent of senior citizens will be better off after sales tax reform than is the case today.

I will take the hon. member through the figures again. A single senior citizen earning $25,000 will pay $220 more GST than FST, that is before the rebate. There is an increase of $81 in the indexing on their old age security, then there is an increase in the credit of $278, a difference between the GST credit and the credit that is being paid to them today for sales tax. The net difference is that they will be better off by $139.

These facts have not been prepared by me. They have been prepared by the experts in the Department of Finance. If my colleague disagrees with those figures, let him put on the floor of the House exactly how he disagrees with them and if he cannot, then he should stop misleading senior citizens.

Mr. Douglas Young (Gloucester): Mr. Speaker, if it was just a question of a disagreement between the Minister of Finance and myself that would be one thing.

Does the Minister of Finance really believe he is doing a service to the country when anyone who questions the goods and services tax is practically insulted by being told they do not understand it; whether it is small business represented by the Canadian Federation of Independent Business, senior citizens represented by organizations across this country, the Canadian Labour Congress, students or the Treasurer of the Government of Alberta, where we will be next month.

Is it just a question of stonewalling no matter what is said by anyone? Is the Minister of Finance the only person in Canada who understands the goods and services tax? Why does he not understand that Canadians do recognize that the goods and services tax is unacceptable?

Mr. Speaker: I think the question has been put.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member says that I am insulting Canadians when I explain the specifics of this tax. It is quite clear to me that there are many Canadians who have not had the opportunity to go through the information that he and I have. That is why we are providing this information, the brochures and pamphlets that we have been sending out to Canadians.

The only reason I am making this point in the House is because I would expect my hon. friend to have the honour to either disagree with the specifics of what I have to say or not go on repeating things that he knows are not true.

* * *

THE BUDGET

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Minister of Finance. I am sure you are aware that no Minister of Finance in the history of this country has increased taxes by as many millions of dollars as the minister who is sitting across the way. In fact there have been some 31 or 32 separate tax increases in the last four and a half to five years.

• (1430)

In response to this, back-benchers and his rich business friends are going across the country saying: "Cut back on social programs. Cut back on government spending".

What I want to know from the Minister of Finance today is whether or not he can assure us that not one single dollar will be cut back from social programs in his budget on February 20. Can he make that assurance and make it now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to say to the hon. member that no Minister of Finance was presented with such a large

fiscal problem than we were on this side of the House on September 4, 1984.

There were things that we had to do. I have never denied the fact that we have had to increase taxes, but I have also said that we have to cut spending. About 70 per cent of what we have done in dealing with the deficit problem has been cutting program spending. We are going to continue to do this because we know we have to get rid of this problem.

Members of the New Democratic Party have their heads in the sand. They say: "There is no deficit problem. Ignore the fact that we have got a debt which is too high". They go on pressing, pressing, pressing to continue to increase spending.

This cannot go on. Under this government it will not go on because we must get this deficit and debt problem under control—and we are going to get it under control.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the minister has just referred to his problem with the deficit.

If the minister has so much difficulty dealing with this problem, why did he make a $160 million present to his Boeing friends and why is he also wasting $14 million in advertising costs to push his GST? Why is he playing Santa Claus with his rich friends here in Canada? Why is he spending so much money trying to sell his GST, instead of reducing the taxes for ordinary people?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon member still has not come to terms in his own mind with how this government should deal with the deficit and the debt problem. There has never, ever been any reasonable discussion from that part of the House as to how we are going to deal with the deficit and debt problem.

We are committed to doing this because we know it is absolutely the right thing for the country. It may not be popular, but it is the right thing for the country.

Members of the New Democratic Party continue to bury their heads deeply in the sand. They ignore the problem that is there. They come up with these shibboleths as to how the deficit can be dealt with when they know in their hearts that that is not true, that it will not happen the way they would like it to happen.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it has been reported that the National Council of Welfare, a citizen's advisory body, has been told by the deputy minister of National Health and Welfare that its budget is in danger in next week's budget because of critical comments made about government policy. The staff of the council have been directed not to speak publicly on any issue. How truly horrifying. What happened to freedom of expression? This is censorship of an advocacy group.

My question is for the Minister of Finance. Can he assure this House today that advocacy groups in Canada will not be the victims of budget cuts just because they do not agree with the Tory government's policies?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, perhaps I can be permitted to respond to the hon. member's question in view of the fact that she alleges my deputy minister made such a suggestion to the national council.

Any such suggestion is false. If the hon. member had bothered to listen to the radio this morning, for example, when my deputy minister was interviewed, she made it abundantly clear that no such suggestion has been made.

* * *

REAL WOMEN

Ms. Mary Clancy (Halifax): Mr. Speaker, one year ago REAL Women received more than $20,000 in funding from the federal government. This year they are looking for more than $400,000 in funding from the federal government.

Today, REAL Women filed a formal complaint against Madam Justice Bertha Wilson with the Judicial Council of Canada because she had the nerve last week to suggest that judges in Canada might be sexist.

Would the Secretary of State stand in this House to assure the women of Canada that no more federal moneys will be forthcoming for REAL Women?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, we have a very effective program that promotes equality and social justice. The Women's

Program has participated very actively. We know there are still many areas of inequality in the country.

The program that I partly funded last year was one of thousands.

Requests are made to fund projects that meet the criteria as established by the Women's Program. What will happen once the budget is announced? We will have to wait for that to take place first.

Ms. Mary Clancy (Halifax): Mr. Speaker, I hope that the cabinet ministers are talking to each other because the Minister of Employment and Immigration and the minister responsible for the status of women agreed with Madam Justice Wilson.

[*Translation*]

My supplementary question is for the Minister of Justice. Since his colleague failed to answer the question, could he reassure Canadian women? Will the Minister of Justice refuse to financially support the REAL Women organization?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, we have implemented a program to promote equality and social justice. In the past, we subsidized a number of organizations. There are a great many other organizations whose projects we have supported, and I suggest that as soon as the Minister of Finance announces the government's program, I will do everything in my power to work with these groups to promote equality and social justice.

* * *

[*English*]

POST-SECONDARY EDUCATION

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, today the Canadian Federation of Students, representing 400,000 post-secondary students throughout Canada, is holding rallies and information sessions under the theme, "If you love education".

The Minister of Finance must agree that education, research and development are crucial to Canada's future.

Why has this government decided to cut back almost $7 billion to post-secondary education funding?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I think this is an indication of how the Liberals are twisting figures. My colleague knows full well that we have been increasing substantially the funds that we transfer to the provinces for post-secondary education and health care.

We are very committed as a country to the principles of improving education and improving our commitment to research and development. This is something that has been well known across this country in the number of policies we have followed.

My colleague should understand that we have cut back on the growth in transfers to provinces for a very simple reason. We have a serious deficit and debt problem.

I think this is an example of Liberal party members burying their heads in the sand ignoring this basic problem. If we do not deal with this problem and continue to ignore it, the people who will be the most affected are the very people for whom the hon. member is purporting to speak today—the students of today who will pay more taxes in the future if we do not get this problem under control.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, even on Valentine's Day this government has no heart for the students of this nation.

Some hon. members: Hear, hear!

Mr. Bevilacqua: Last week, 24,000 summer jobs were affected by cuts to the SEED program. At a time when 88 per cent of Canadians believe the government should not cut its payments to the provinces for education, will the minister for once listen to what Canadians are saying and abandon this regressive and parochial vision of nation-building and restore sufficient funding for post-secondary education?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member refers to my vision as being parochial and narrow-minded. What we are trying to do is broaden the horizons of this country by getting us out of the mountain of debt we have which has been growing in recent years.

The only way that we can get the burden of debt down is to get the deficit down. The only way that we can get the deficit down is to spread the burden of controlling that deficit as broadly as possible.

• (1440)

I for one believe that that should involve the students of today because they are going to be major beneficiaries of the improvement in our fiscal and economic positions as we do this. That is why in recent years we have cut back on the growth in transfers.

We have not reduced the transfers, as my colleague has said, by $7 billion. In the last five years there has been a $25 billion increase in the transfers for health care and post-secondary education, and at a growth rate of 6.5 per cent per annum.

If that is a reduction my friend, you have got to go back to school and learn some arithmetic.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of His Excellency Mr. Eduard Shevardnadze, Minister of Foreign Affairs of the Union of Soviet Socialist Republics.

Some hon. members: Hear, hear!

* * *

THE ENVIRONMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct a question to the Deputy Prime Minister.

At this time 2,000 residents are being evacuated in southern Ontario because of a massive tire dump fire which is spewing benzene and other cancer-causing agents into the air.

What is this government doing to respond to what experts have called an environmental disaster?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I will respond on behalf of the Minister of Environment.

Two thousand people have been evacuated. From what I understand the fire may burn for a week or maybe up to three weeks. There is a waste tire problem.

We have significant research to which the department and the Minister of the Environment has contributed which is examining new technologies.

I understand the situation is under control. We have officials on the scene offering assistance to the provincial ministry. We are very comfortable at the moment that everything that can be done is being done. We will continue to monitor the situation.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I cannot believe that this government says it is comfortable facing this kind of situation. We have here a case of somebody who was told three years ago to clean up his operations, and not a single bit of work has taken place since that date. That is shameful.

Some hon. members: Hear, hear!

Mr. Langdon: I want to ask how the minister can possibly explain that we as a country should be so spineless, so powerless in the face of a work order like this that it can simply be ignored.

Is it the case that two years after Saint-Basile-le-Grande this government has still not learned a blessed thing about protecting the environment and protecting people?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, as in both cases, this is a provincial matter. The storage of tires is within provincial jurisdiction.

We are doing all that we can to be helpful. We do know that there are some 25 million tires, only about five million of which are recyclable.

We are looking at newer technologies. Some $2 million were advanced.

This type of experience has happened in the United States, without any significant dilatory effect, without any damage. We are consulting the Americans.

At the same time, the provincial ministry is taking samples to confirm that all is quite carefully being handled in a way to limit danger.

Let us be very clear. This is within provincial jurisdiction. Our officials and staff are on the scene to provide all the assistance we can to make sure everything is being done to be helpful.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have a supplementary question for the Secretary of State.

I was wondering if he along with the Minister of the Environment would cause persuasion to take place amongst environmental ministers of the provinces so that we might have an example such as is now being undertaken in the Province of Alberta, specifically in the community of Trochu. All used tires are brought to a

central place where they are ground, reused and put into new products to develop energy by heat systems that will come from it.

Would he and the Minister of the Environment undertake to put that pressure on to make every province in Canada get rid of what is potentially a very serious problem for all Canadians?

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): The member certainly has an excellent idea. I will be sure to discuss it very carefully with the Minister of the Environment shortly.

* * *

[*Translation*]

FIREARMS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Minister of Justice. A vast movement is building in this country against the possession of automatic and semi-automatic weapons. In fact, today, Mr. Speaker, Alain Perreault, President of the *Association des étudiants de l'École Polytechnique de Montréal*, released the results of a campaign to petition for changes in the current legislation, in the course of which 300,000 signatures were collected.

Could the minister inform the House whether he intends to table legislation to change the present situation very shortly? And what would these changes involve, besides reducing violence?

Hon. Doug Lewis (Minister of Justice, Attorney General of Canada and Leader of the Government in the House of Commons): Mr. Speaker, a few months ago, I announced that I intended to table amendments to the provisions of the Criminal Code with respect to firearms. We are faced with a very serious situation. I have also looked into certain aspects of the administration of firearms acquisition licences. Most of that work has now been done, and I hope to be able to table legislation very shortly.

[*English*]

FOOD BANKS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the Minister of National Health and Welfare.

I have in my hand correspondence from the Daily Bread Food Bank, one of 11 such food banks in my riding of Parkdale—High Park.

According to this correspondence, the greater Toronto area now has more than 84,000 people turning to charitable food programs for emergency assistance each month. The executive director goes on to say that one child in seven in Metro Toronto belongs to a food bank family.

Nationally, on an annual basis, it is estimated that 1.4 million different people, including 560,000 children, use food banks.

In light of these shocking revelations does the minister not realize that it is his government's policies that are driving more and more people to use food banks on a permanent basis? What will he do to reverse this trend?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, I am rather pleased that the hon. gentleman has given me an opportunity to say exactly what is being done to reverse the trend.

Since his party was voted out of office, some 760,000 Canadians have escaped from poverty. That is what we are doing to reverse that trend.

• (1450)

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, if they have escaped from poverty why are they lining up more and more for food banks? Since the minister does not even know what a food bank is, Mr. Speaker, my supplementary is for the Deputy Prime Minister.

He knows that his government has approximately three years left in its mandate. Can he give assurance to Canadians today that at the end of three years there will no longer be any need for food banks anywhere in Canada?

Hon. Perrin Beatty (Minister of National Health and Welfare): Mr. Speaker, as long as there is any Canadian who lives in poverty it is unacceptable to this government.

Mr. Peterson: Do something about it!

Mr. Beatty: The hon. gentleman opposite says do something about it. Taking some three-quarters of a million Canadians out of poverty is something pretty concrete that has been done about it.

Members opposite cannot have it both ways. They attack any attempt that is made by the government to restore Canada's economic health. They pretend, on the other hand, that they are concerned about the plight of the poor.

These statistics show that we are on track. We are continuing to make progress in terms of fighting poverty. We will not stop until we have made further progress in fighting poverty in Canada.

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TOURISM

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the minister responsible for tourism.

Yesterday, the minister responsible for tourism criticized the Leader of the Opposition because he cited American tour organizers' warnings of severe reductions in the numbers of American tourists visiting Canada. Mr. William Duron, president of the Metropolitan Toronto Convention and Visitors Association, has stated: "If United States convention organizers have to live with an additional tax they will close the door on Canada".

In view of the overwhelming evidence that has been given in the last few days by the tourist industry of Canada, I would like to know from the minister why and how he can continue to say that the Canadian tourism industry will not be hurt in the years to come.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is important that we listen closely to all the tourist organizations in Canada when we bring in a replacement tax.

It is very important too that we realize this is not an additional tax. I wish members of the opposition would get this through their heads. It is a replacement of an old tax.

The National Tourism Association of the United States is going to put together a suggestion and a mechanism on rebates that it would like to recommend to the government. That would not have been possible unless the Minister of Finance had said—and this is unique among countries with a VAT or a GST—that we are going to have a special rebate on accommodation for visitors to Canada.

Other organizations in Canada that are concerned with convention centres are putting together some proposals as well, which I hope to take to the Minister of Finance, to help with the rebate in that dimension.

All of this is progressing. It is progressing with a replacement tax, not an additional tax.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, if this is a replacement tax, what about a statement by the Deputy Minister of Finance, Mr. Dodge, who said, and I quote:

[*English*]

"Ordinary Canadians travelling on holidays will face higher prices, no question".

[*Translation*]

If it is true that Canadian tourists will have to pay more to travel in Canada, how does the minister explain his statement that this will be a replacement tax? The Minister of State (Finance) says it will cost more. Do you agree with that statement or could you explain why the situation is so complex?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, there is a two-part answer to the hon. member's question.

First, something that we did not mention yesterday when we were discussing the whole tourism question is the question of business travel. When a business person travels after the GST is in place, the GST they pay for accommodations, restaurants and other things of that sort will be virtually immediately rebatable, something that is not the case now. That is very good news for the tourist industry and very good news for the hospitality industry.

In terms of the cost of running a tourist establishment, the hon. member constantly talks about the 7 per cent tax. What he forgets is the fact that the input tax credit will diminish that by 2, 3 or 4 per cent. So we will have a

slight increase. The Conference Board tells us after this tax is digested in two years we will have a net increase in tourism in three years, a greater increase than we would have had if we never had the GST in the first place.

* * *

TRANSPORT

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

Yesterday, Bombardier announced that it would seek federal assistance to start up a high speed passenger train between Quebec City and Toronto. It says such a service would be profitable with 5.3 million passengers a year. It says that it can still charge less than airlines.

Bombardier has just confirmed what we have been saying all along. Passenger rail is the way of the future.

If the private sector has that kind of confidence in passenger rail, why doesn't the Government?

Some hon. members: Hear, hear!

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the decision made in October, 1989, was a good decision. I believe that Canadians understand that we did what we could afford.

If the private sector can put $3.5 billion into a high speed train, then it is up to the private sector. Obviously, the government does not have that money to put into such an option.

I said yesterday that we will listen to what the private sector has to say about what it can do. We are interested by the proposal. However, once again, we do not have the money today to put $1.7 billion into any kind of train.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the minister will remember that VIA Rail made a similar proposal last year for such a system. The minister's response was to cut VIA's services in half.

Given the comments the minister just made, that if the government at some point is prepared to consider financially supporting this particular proposal, will the minister give his assurance that instead of giving Bombardier—a private sector company—the funding, that he will invest that money in a public system so that all Canadians can share in the profit instead of just a few?

Hon. Benoît Bouchard (minister of Transport): Mr. Speaker, I will not give any assurance to anybody. I will just wait for the royal commission to provide a few recommendations about passenger service in this country.

It is absolutely normal that we wait for the proposals to be made. That is why I think it would be wise for everyone to wait for the recommendations of the royal commission.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

Mr. Paul Martin (LaSalle—Émard) Mr. Speaker, the report, which was presented last November by the Committee for the Economic Recovery and Revitalization of Employment in Southwest-End Montreal, asked for a major contribution on the part of the federal government to play a major role. So far, the government hasn't done anything; it has not even revealed its intentions.

My question is this: Can the Deputy Prime Minister tell us when we can expect a reply from this government.

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, as soon as we received this report in mid-December, we advised the authors that we would be responding around the end of March, and that is what we intend to do, Mr. Speaker.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, this report establishes two very important precedents. The first is in the amount of self-help which it calls for. The second is in the degree of local control over financing. Both of those depend enormously on morale, morale which is being sapped by the stall to which it is being submitted.

The only thing that CREESOM has received is an acknowledgement, nothing else. There have been no further discussions or negotiations, something which was promised.

When will the government sit down with CREESOM?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I will repeat the answer that I just gave in the other language.

We have informed the author of this report in December that we would be responding around the end of March. We have already done so.

A similar report was presented to the government in the past concerning the east end of Montreal. We have responded to this report so well that all the people who formed that group have expressed their great satisfaction.

* * *

• (1500)

TRANSPORT

Mr. Harry Chadwick (Brampton—Malton): Mr. Speaker, my question is for the Minister of Transport.

As he will know, an environmental assessment is currently under way at Pearson International to determine the impact of additional runways on surrounding communities. Recently doubt was placed on the assessment by a December 14 column in *The Toronto Star* which suggested that the Minister of Transport had indicated there was no way the environmental assessment would prove unfavourable for expansion.

Would the Minister of Transport rise in the House today and assure us that this assessment is without influence and that its integrity is still intact?

Hon. Benoît Bouchard (Minister of Transport): Of course, Mr. Speaker, I will. I wrote to the chairman of the environmental assessment review panel to say that I never said that.

Second, I consider that the processes is moving along normally. We should have the results in due course. Once again, I never said that there was any influence on the panel, and it will not have any influence on the panel.

* * *

BOEING CANADA

Mr. Jim Peterson (Willowdale): Mr. Speaker, with Canadian taxpayer assistance de Havilland developed the Dash-8 and was producing it in Canada for some 14 months before de Havilland was privatized to Boeing. As the government admits in its press release of February 9, the Dash-8 is "the most advanced regional turbo-prop in the international market-place".

I have a question for the minister of industry. Since the Dash-8 is such a world leading aircraft, why must we the Canadian taxpayers pay Boeing over $100 million just to take it off our hands?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in 1984, when we took over government, one of the things we inherited was de Havilland, into which the taxpayers of Canada had poured $800 million and were looking at another $300 million at least before it could approach some sort of viability.

We had a choice of continuing that kind of contribution of taxpayers' money, closing it down for a cost of $300 million, or selling it to a private sector operator that could do a better job.

At the time, if the hon. member will take a look at the press releases, there was unconcluded liabilities that had to be met to the tune of $63 million. We have used DIPP to help fund the next generation of Dash aircraft. The plant has 1,000 more employees.

The taxes of those employees who are now working as a result of what we did will more than make up for the extra contribution. The hon. member should be applauding us, not criticizing us.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN MULTICULTURALISM ACT

TABLING OF ANNUAL REPORT

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, I am very pleased to table today, in both official languages, the first annual report to Parliament on the operation of the Canadian Multiculturalism Act.

[*Translation*]

This report, which I am tabling now pursuant to Section 8 of the Canadian Multiculturalism Act, covers the 1988-89 fiscal year.

Routine Proceedings

THE PARLIAMENT OF CANADA ACT

TABLING OF FIRST REPORT OF SPECIAL COMMITTEE

Mr. Marcel Danis (Verchères): Mr. Speaker, I have the honour to present the first report of the Special Committee to review the Parliament of Canada Act.

If the House agrees, I intend to move the adoption of this report later today.

* * *

[*English*]

COMMITTEES OF THE HOUSE

BILL C-25 – REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-25, an act to amend the Geneva Conventions Act, the National Defence Act and the Trade-marks Act, without amendment.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mrs. Christine Stewart (Northumberland) moved for leave to introduce Bill C-287, an act to amend the Criminal Code (order restricting the publication of the identity of the accused).

Mr. Speaker: Shall the hon. member have leave to introduce the bill?

Some hon. members: Agreed.

Mrs. Stewart: Mr. Speaker, it gives me pleasure to introduce this bill.

The purpose of this bill is to prohibit any publication or broadcast of the identity of a person charged with theft when the value of goods stolen does not exceed $100.

We have seen the harm which becomes an accused of prominence when identity before conviction occurs. The effects can be even more devastating when the accused is a small town ordinary citizen whose accusation is published by small town media.

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

[*Translation*]

THE PARLIAMENT OF CANADA ACT

ADOPTION OF FIRST REPORT

Mr. Marcel Danis (Verchères): Mr. Speaker, if the House agrees, I move, seconded by Mr. Hawkes, Mr. Gauthier and Mr. Angus:

> That the first report of the Special Committee to review the Parliament of Canada Act, presented to the House today, be adopted.

Mr. Speaker: Does the hon. member have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

Mr. Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

COMMITTEES OF THE HOUSE

REFERENCE OF PETITION

Hon. Walter McLean (Waterloo): Mr. Speaker, I would like to introduce a motion to refer a late petition to committee to consider whether the petition should be received. I move:

> That, pursuant to the provisions of Standing Order 140, the petition of the Eastern Canada Synod of the Lutheran Church in America, filed after the time limit specified under Standing Order 132, be referred to the Standing Committee on Elections, Privileges, Procedure and Private Members' Business, together with the Fourth Report of the Clerk of Petitions thereon, presented to the House on Tuesday, February 13, 1990, for any recommendations the Committee deems advisable.

• (1510)

Mr. Speaker: Does the hon. member have unanimous consent of the House to move the motion?

Some hon. members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the please of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

PETITIONS

GOODS AND SERVICES TAX

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have petitions on three different subjects which have been sent to me by people from my riding.

The first petition calls upon the government to abandon its proposed goods and services tax. It proposes that the government reject the GST, cancel tax breaks for rich individuals and corporations, apply the present tax on goods manufactured in Canada equally to imported products, reduce the need for a sales tax by reducing the bank interest rate by 2 per cent, and increase employment in such useful work as protection of the environment, restoration of needed roads, sewers and bridges, air traffic control, VIA services, and industrial research and development.

VIA RAIL

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I also have a set of petitions from people in the riding who call upon the government to support VIA Rail, to abandon any plans for further cuts to VIA's budget, and to provide the necessary resources to allow VIA to operate as a modern effective transportation company rather than as a museum.

SOCIAL PROGRAMS

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the final petition is addressed to the government and is opposed to the government's proposed tax back of old age security and family allowance benefits.

The petitioners call upon the government to abandon this proposed measure which singles out old age security and family allowance benefits as a tax source tied to the level of income.

NORTHERN BENEFITS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36 and certified correct by the clerk of petitions. It is from a large number of constituents of my riding of Cochrane—Superior, more specifically from the towns of Longlac, Smooth Rock Falls, Val Rita, and Geraldton.

These residents are very concerned about a task force report on tax benefits for northern and isolated areas. This task force would see 37 communities in my riding no longer eligible for the tax benefit, thereby draining $2.5 million from the economy of Cochrane—Superior.

The petitioners call upon Parliament to reject the task force report in its totality.

PEARSON INTERNATIONAL AIRPORT

Mr. Sergio Marchi (York West): Mr. Speaker, I have the honour and the responsibility to table three petitions signed by residents of metropolitan Toronto surrounding Pearson International Airport.

As Your Honour knows, there has been much controversy in respect of the government's action on Pearson Airport, particularly with the continued expansion of the airport to the detriment of residents, their livelihoods and their investments in and around Pearson International Airport.

These petitioners who number in the hundreds, suggest and demand that the Government of Canada come down with a policy on three issues specifically.

First, that all aircraft must climb to 4,000 feet before banking over residential areas.

Second, that there be a strict enforcement of the night guidelines so that aircraft do not come in at all hours of the night and the morning as they do now and that they only permit emergency flights to do so.

Third, that they do not build an additional runway which will cause havoc in the surrounding areas, but rather that they suggest alternative airports be utilized in order to make passenger flights more comfortable and convenient for Canadians and that there must be a sensitivity to those surrounding communities.

GOODS AND SERVICES TAX

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a petition, signed by several hundred residents of my constituency from the communities of Courtenay, Comox, Cumberland, Port Alberni, Coombs, Errington, Parksville, Qualicum Beach and Royston, among others.

They request the government to reject the current proposal for a goods and services tax, to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations, and to cease with a proposal which will shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

I also have a petition which was put together by the Canadian Federation of Independent Business, through one of its associate members, Clarence's Brake and Repair, in my riding. There are several hundreds of names attached to this petition, but unfortunately it is not in a form that could be certified.

SOCIAL PROGRAMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I also have a petition from my riding which was circulated by the seniors organization One Voice. It calls on the government to scrap its proposal to claw back pensions and family allowances and begin to treat seniors and family members fairly in the tax system.

GOODS AND SERVICES TAX

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to rise in the House to present a number of petitions from British Columbia, Alberta and Ontario.

The petitioners voice their opposition to the goods and services tax proposed by this government. They petition the government to ensure that, if and when there is a broad public consensus on a sales tax measure to replace the manufacturers' sales tax, this reform not be an opportunity for the government to impose a massive tax grab.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, it is my honour and duty to present a petition according to the Standing Orders from a number of residents of the province of Ontario who oppose the government's proposal for a goods and services tax. They ask for a tax system that will give an effective minimum tax on wealthy individuals and corporations and ensure that there is no taxation on goods and services such as haircuts, fast food, piano lessons and other non-luxury items.

The petitioners wish Parliament to cause the government to cease the proposal that will tax diapers and coffins, taxing Canadians from the cradle to the grave.

LOW-LEVEL FLIGHTS

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have a petition from a number of residents of Toronto who are concerned with the government's proposed increase of low-level flights in Labrador over the land of the Innu.

The petitioners ask that this Parliament join with the Assembly of First Nations and the Innu people in demanding that the Canadian government end NATO-NORAD low-level flight training, oppose the establishment of NATO operations in Canada such as at Goose Bay, redirect Canada's NATO-NORAD funding toward enabling Canada's aboriginal peoples to regain control of their lands and their livelihood, and promote sustainable development for all Canadians.

VIA RAIL

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I also have petitions from a number of residents of Ontario in Stratford, Hamilton, Chatham, Sudbury, Timmins, Orillia, Brampton, Windsor, Belleville, Toronto, Downsview, Cayuga, Westhill, Barrie, Ottawa, Welland and Kitchener.

They are concerned with the government's proposal to reduce VIA Rail service. They ask this Parliament to reject all reductions, to modernize existing equipment so that VIA Rail can provide a world-class service and to build a high speed passenger train between Montreal and Windsor.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a number of petitions from people of my constituency representing various groups: farm and ranch groups, hotel and motel operators, restaurants, fishing and hunting resorts, a variety of small businesses, arts groups, student groups, environment groups, bowling associations, A&W and McDonald's patrons.

They point out the unfairness of the goods and services tax. They feel that it is an unfair tax and simply make the point that the government should go back to the drawing board, try again with real fair tax reform and stop proceeding with this 7 per cent goods and services tax.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have two petitions with quite a number of signatures. Some of them are from people in southern Ontario and others are from citizens of British Columbia.

I think they epitomize the fact that people right across this country are asking the government to reject the proposed goods and services tax, to reform the tax system so there is an effective minimum tax on wealthy

individuals and corporations, and to cease with a proposal that will shift the burden to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

• (1520)

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I too have the privilege of rising under Standing Order 36. Many residents within my riding of Essex—Kent also suggest that the goods and services tax is inappropriate and one that is going to cause them difficulty with their way of living.

They humbly ask the government to withdraw its proposed goods and services tax.

PEARSON INTERNATIONAL AIRPORT

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, I rise, pursuant to Standing Order 36, to present petitions on behalf of my constituents from the riding of Mississauga East who are outraged at this government's heavy-handed manner in imposing additional runways at Pearson International.

My constituents are concerned that this action will have negative impact on their quality of life. They humbly pray and call upon Parliament to start heeding their concerns.

TAXATION

Mr. Jim Karpoff (Surrey North): Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition signed by a number of British Columbians, including a number of residents of my own riding of Surrey North.

It states that the government has not addressed the unfair tax system currently in place which permits wealthy individuals and corporations to pay little or no federal tax, while forcing low and middle income taxpayers to bear more of the national tax. They call upon this government to institute genuine tax reform.

GOODS AND SERVICES TAX

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I rise today, under the provisions of Standing Order 36, to present a petition concerning the government's proposed goods and services tax.

The petition is signed by concerned Canadians who feel that this tax will cause serious and unfair hardship to lower and middle income Canadians.

The petitioners call upon Parliament to reject the goods and services tax.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Boudria: Mr. Speaker, I am sorry that I have to rise again to bring this matter to the attention of the Chair.

Question No. 162, standing in my name, has been on the Order Paper, not for 45 days but since October 30, 1989, which is against the rules of this House. Your Honour will note that the question is properly identified as being one of those it is compulsory for the government to reply to within 45 days.

I want further to bring to your attention, Mr. Speaker, that there is another question in exactly the same situation, that being Question No. 197 in my name, which was placed on the Order Paper on December 6, 1989.

In fact I have four questions on the Order Paper in my name, all requiring answers. Because the government is failing to respond to these questions I cannot place new questions on the Order Paper. In other words, I am prevented from doing my work as a member of Parliament because of the inaction of the government.

I alert the Chair to this issue. I have brought it to the attention of the Chair before. This is a new Standing Order. It has only been with us for a few years now. The government just cannot say that it answers appropriately a certain percentage of the time. This rule is quite clear. It must do so 100 per cent of the time.

I asked the parliamentary secretary to bring this matter to the attention of the officials in question, to make sure that they get off their duffs, or however the Minister for International Trade refers to it, and attend to these replies in the manner they are required to according to the rules of this place.

Mr. Cooper: Mr. Speaker, I am sorry the hon. member had to stand again today. I must say, as I have had to say before, in this particular case the hon. member has asked some detailed questions that require detailed work. I have been doing my absolute best to get those questions answered on time.

At the moment there are four questions that are running late. We have been averaging about 91 per cent return on the regular questions.

I have a dilemma. I can give the member an answer tomorrow, but it will not be as complete and as detailed as was his question.

I beg the indulgence of the House and of the Chair. We are doing our best to answer these questions seriously and in what we think is the very serious spirit of the member who asked the question. We are going to do our best to make sure he gets good answers to those questions.

Mr. Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I ask that all the Notices of Motions for the Production of Papers be allowed to stand.

Mr. Milliken: Mr. Speaker, for weeks and weeks Notices of Motions for the Production of Papers have been stood, and there has been no explanation offered as to why the government takes this attitude.

I noticed that one of the motions has been on the Order Paper since April 4 of last year. One of mine has been on it since October 25 and another since November 24.

I do not understand why the government is so reluctant to produce the documents that have been requested. These are simple questions. This is a simple stonewall.

I invite the parliamentary secretary to indicate whether or not the government is going to produce these documents. I think it is a simple request. If the parliamentary secretary stands up and says "no, we decline to produce certain of these things", members have a remedy. However, instead of that, the parliamentary secretary simply says he wants everything to stand. It is a stonewall, and I respectfully request a response.

Mr. Cooper: Mr. Speaker, I think the member has made a reasonable request. I will investigate to make sure that my hon. friend gets a very decent answer to his question, and I will get it for him as soon as is possible.

Mr. Deputy Speaker: Shall the Notices of Motions for the Production for Papers stand?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

STUDENT EMPLOYMENT

Mr. Deputy Speaker: The Chair has received a notice for emergency debate pursuant to Standing Order 52 from the hon. member for Kingston and the Islands.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, under the provisions of Standing Order 52, I rise to request that the House engage in an emergency debate. The issue is one of the substantial reductions that the government has proposed in the SEED program for employment of students during the summer months.

Representing as I do a constituency which has two universities in it, I am particularly mindful of the cuts that have in fact taken place in this program, not just this year, but in past years. The cuts this year have been a further erosion of the funds available for students. I believe it is a matter of urgent and pressing necessity. The government's announcement came on Friday. So far nothing has been done on this matter.

I would request that Your Honour consider permitting a debate this evening on this important matter so that it can be discussed for the benefit of all Canadians.

SPEAKER'S RULING

Mr. Deputy Speaker: As I said earlier, the Chair has received the proper notice from the member for Kingston and the Islands. The Chair recognizes it is a most serious matter. However the Chair does not believe that it meets the requirements of Standing Order 52.

Therefore I must refuse the request.

THE BUDGET

DESIGNATION OF ORDER OF THE DAY

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing 83(2), I ask that you designate an Order of the Day for Tuesday, February 20, 1990, to allow me in my position as Minister of Finance to present the Budget.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: If I may, Mr. Speaker, I wish to advise the House that tomorrow the business of the House will be to deal with report stage and possibly third reading of Bill C–38. This may sound like I am going to deliver a lot of legislation, but there have been discussions between myself as Minister of Justice and the critics on the bills.

That will be followed by a reasonable short debate on the B.C. court reform bill, the Ontario court reform bill, the amendments to the Criminal Code on arson, and the amendments to the Divorce Act *vis–à–vis* the Jewish Get.

• (1530)

In the afternoon, after Question Period, it is the government's intention to call the motion on the Order Paper as item No. 2:

> That this House reaffirm its commitment to support, protect and promote linguistic duality in Canada, as reflected by this House in the Constitution Amendment, 1987 and the Official Languages Act, 1988.

Mr. Gauthier: I can confirm that indeed there have been negotiations concerning the work of the House tomorrow. I take it we are going to proceed with Bill C–52 this afternoon. That is the only business today. Having settled that, I give the minister my undertaking that this party, on the question of Bill C–38 and the other four bills, is disposed to pass those bills after reasonable debate and without holding up the House on them.

As for the resolution, I think the minister knows that I had a letter delivered to him today suggesting a compromise solution that possibly the House would like to address in due course.

Mr. Riis: Mr. Speaker, we are looking forward to beginning debate on Bill C–52 later today and we will see how progress is made for tomorrow. There have been discussions and like my hon. friend the House Leader for the Official Opposition, we too will attempt to expedite this legislation which we support in terms of needed legislation. I want to make that clear. Whether we can deal with all the legislation in that short period in the morning remains to be seen, but we will endeavour to co–operate on this legislation which we feel strongly about.

However, now that the government House leader has given notice that in fact we will be proceeding with the debate on the motion tomorrow, I want to say on behalf of the New Democratic Party that we recognize the important principle involved in that motion. I am not convinced in my own mind that there is a need for a long debate. I am not certain what it is we are debating. If there is some question on the government side of where it stands on this issue, I can understand that in terms of the need for debate, but as far as my party is concerned, there is no need for a lengthy debate. We would be anxious to get into the debate and to the motion itself in terms of a vote if the government would like to see that.

I realize that the government House leader did not suggest that we were going to be having a lengthy debate but he did not say we were not either. I want to make it clear that on this issue, as far as we are concerned, our position is clear and I am concerned that a lengthy debate would simply fan the fires that we are now seeing burning in various place across the country. I do not think we want to be throwing gasoline on fire at this point on this incredibly sensitive issue. I want to make that point clear. We are anxious to begin whenever the government decides.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would just like to add that since the House leader of the New Democratic Party made some comments on the proposal to begin debate on the government's resolution dealing with linguistic duality, we in this party also think that in the public interest, it would be better if a firm commitment of this House were clear and precise and adopted quickly, so as to turn back the tide of intolerance which seems to be sweeping the country now and show the real leadership of this House by passing this motion speedily.

[*English*]

Mr. Riis: I do not want to prolong this but I think it is important that the government House leader recognize that as the House leader for the Official Opposition indicated, he had been in communication with the government in terms of a suggestion on how to proceed most appropriately tomorrow on this critical issue. We too have been part of that communiqué and we feel very strongly that this be approached in the most serious manner possible, dealing with one of the most sensitive issues that our country has always faced and faces today.

I simply want to associate myself with my hon. friend, the House leader for the Official Opposition, and we too have joined in a communiqué with the Government House Leader in an effort to resolve this in the most appropriate way for our country.

Mr. Lewis: Mr. Speaker, these are negotiations which naturally take place at House leaders' meetings. I would be glad to convene a House leader's meeting with my hon. friends.

* * *

POINT OF ORDER

COMMITTEE ATTENDANCE

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise today on a point of order in reference to a statement that was made in the House of Commons on February 8 by the hon. member for Ontario who stated that members of the Liberal party were consistently not at the finance committee meetings.

I went through the records to check the attendance of all members at the finance committee hearings on the goods and services tax. I found that the average attendance of Liberal members was well over 80 per cent. This was a better ratio than members on the government side.

I realize the member did not wish to mislead the House, so I am presenting a correction on the facts of the attendance records of that committee.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, January 23, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-52, an act to amend the Income Tax Act and related acts, be read the second time and referred to the Standing Committee on Finance.

Mr. John Brewin (Victoria): Mr. Speaker, I rise to join with my colleagues in the New Democratic Party to oppose second reading of Bill C-52.

Bill C-52 is fundamentally a bill to make changes in the RRSP legislation and other similar tax assistance schemes that have prevailed in this country for almost 20 years. The bill increases the current limits under which Canadian taxpayers can get tax assistance or reduce their taxes by virtue of investments in RRSPs and provides that the increased limits will be indexed over a period of time.

The current limits for RRSPs are about $7,500 or 20 per cent of income. The proposed limit would increase over a period of time. Starting in 1991 the limit would go to $11,500; in 1992 to $12,500; in 1993 to $13,500; in 1994 to $14,500; and by 1995 the limit would reach $15,500. After that period these limits would be indexed to increases in wages and salaries. The bill also provides for what is called a "carry-over" provision so that in a given year those who cannot contribute or choose not to contribute to an RRSP can pick up that difference for a period of time.

This bill affects a transfer of tax money in the order of $5 billion to $6 billion yearly, when it comes into full force, from lower and middle-income taxpayers to the wealthy and better off income tax payers in this country. It undermines the possibilities of improving the Canada Pension Plan, the Quebec Pension Plan and the Old Age Assistance Program.

It undermines the possibility of developing a proper public pension plan system in this country to provide fairness and equity to the people of Canada. It encourages the development of privatization of pensions and contributes to a tendency which appears to be the

underlying philosophy of this government; to make the rich richer and the middle and low-income groups poorer.

Let us take a step back in the history of the development of public pension policy in this country. We in this party are proud of the role played by our predecessors in this House, starting with J. S. Woodsworth in 1926 who used his position in Parliament to force out of a reluctant Liberal government the first old age pensions in Canada.

Canadians will be familiar with the long battle led by the former hon. member for Winnipeg North Centre, Mr. Stanley Knowles, to make old age pensions universal and to eliminate the means test. That battle was won.

• (1540)

Then there was the battle to develop a proper Canada Pension Plan into which employers and employees would contribute and which would provide a further basis for a secure future for seniors in this country. This was achieved in 1964.

Then, in the early seventies, came the first RRSP program. Originally the RRSP program was designed to provide opportunities for those who were not covered by employer sponsored programs, the normal pension programs that employees could participate in to provide those people with an opportunity to build their own pension plans and their own economic security in addition to the Old Age Security system.

It was also expected that those who had employer sponsored programs could use the RRSP program to supplement further their retirement income because at the beginning, and as presently prevails, the Canada Pension Plan together with Old Age Security still does not meet the full retirement needs of Canadians. It only brings the retirement income up into the order of 40 per cent to 50 per cent of pre-retirement income. All those who have studied this field say that a good system would provide closer to 75 per cent of pre-retirement income as the basic level of retirement income that would provide for a secure future for senior citizens.

The RRSPs had these two objectives: to provide an opportunity for those who are not covered by employer sponsored plans, and to provide for a supplement to the Canada Pension Plan or Quebec Pension Plan in the event they were insufficient which, of course, has happened and was predictable.

Those at the lower and middle income levels whose incomes are barely sufficient and in some cases insufficient to meet their daily, weekly and monthly income needs do not have any money left over to respond to the myriad of ads that we now see on television and in the media encouraging Canadians to invest in RRSPs. It is only those with extra income, the upper half of the income group, who can begin to think of taking advantage of the RRSP provisions in the Income Tax Act. As a result the experience has been that the benefits of RRSP programs go in the largest measure to the top 5 per cent of the income groups in Canada.

This bill will make that inequity even worse. Under the provisions of this bill the single mother on welfare can, if she chooses, contribute $11,500 of her income every year to an RRSP. Her income does not even meet $11,500 a year. Therefore, it will come as no surprise that what we have here is a bonanza for the financial institutions in this country and a bonanza for those in the upper income group who can afford to take advantage of this tax assistance scheme.

The government is introducing legislation which is a benefit for the rich and is simply not available to the poor and middle income groups in this country. It is going to cost the Canadian taxpayers $5 billion to $6 billion a year to implement this scheme.

Next week we are going to hear from the Minister of Finance—we have already seen the balloons go up—that this budget is going to be a Draconian, cut-back budget. It is going to cut again at public services to this country. Yet merely a week before the budget the government is persisting with a bill which is a $5 billion to $6 billion give-away to the upper income group in this country. This bill must be defeated.

It is important for this House to understand as well that the way this bill is structured, the government is persisting in using the device of tax deductions rather than tax credits. The $11,500 under the RRSP that is included here becomes a deduction from income. The government is not using a tax credit system. Most Canadians will now understand the significance of that difference. A tax credit system means that regardless of income the benefit of the particular provision is equal-

ized. A tax deduction system benefits, again, those at the higher income levels.

Once again, the provisions of the bill in keeping with the reactionary philosophy of this government assists those in the highest income groups.

Let me refer the House to an editorial from *The Toronto Star* which commented when this bill was first floated on October 16, 1986, that: "The distribution of income in Canada is highly unequal. In 1981, the 20 per cent of Canadian families with the highest incomes ended up with 41.8 per cent of the total income pie. By contrast, 20 per cent of the families with the lowest incomes get less than 5 per cent."

The editorial goes on to state: "Under Wilson's new proposals, Ottawa would provide tax assistance to all employed Canadians to create a nest-egg that would allow them to maintain their incomes in retirement, up to a pension limit of $60,000 a year. To do so, he would provide the greatest assistance to those at the upper end of the income scale. Someone earning $20,000 a year, would get an annual tax break worth about $1,200, compared to a break of about $7,500 for those earning more than $86,000 a year."

I may add that the break for the person earning $20,000 a year is only available, of course, if that person has the spare cash at the end of the year to contribute toward an RRSP or one of the other plans covered in this bill.

In a fair and proper pension system, instead of investing the $5 and $6 billion that this government is prepared to give away to the top income groups in this country, this money would be used to strengthen the Old Age Security system and the Canada Pension Plan. In 1983, there was a parliamentary task force on pension reform. It became very clear from that task force that the real reform in this country needed to be the strengthening of the Canada Pension Plan. Virtually every member of the paid workforce, with earnings from employment or self-employment, is covered by the CPP, in contrast to those who can afford the benefits under RRSP provisions.

Many witnesses before the task force, including those representing workers and women, recommended a doubling of Canada and Quebec Pension Plan benefits to 50 per cent of pre-retirement earnings, up to the annual amount allowed. This increase, of course, has to be phased in over a period of time. But if we have those kind of changes, we would be spending public money in accordance with proper principles of public policy. A pension program in this country should produce a fair and equitable distribution of income at retirement. It should produce a satisfactory level of income and should be contributed to in a fair and just manner.

In this case the lower and middle income taxpayers who pay the largest portion of taxes in this country are contributing to the ultimate income advantage and short-term tax benefit of the highest income groups in the country.

The parliamentary task force noted that only half of men and fewer than one third of women who are in the paid workforce are covered by the Canada Pension Plan. That should be changed. They note that when people change jobs it is difficult to get the additional coverage because of long waiting periods.

• (1550)

Benefits in the private pension system are barely covered by inflation. The real reform in this country should come in the area of the Canada Pension Plan. That is the policy of this party and that is the policy that we urge upon the House.

My closing remarks will deal first with one other specific problem with this legislation, and that is its complexity. In May 1988 the joint committee on taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants described these amendments as "perhaps the most complicated tax rules ever devised".

These provisions will employ chartered accountants, any who are left over after the GST, in years and hours of complex analysis because of the complexity of the new rules. In fact most individual taxpayers will not be able to calculate the allowable RRSP contributions. At the beginning of each tax year the federal government will provide to each taxpayer a statement of available RRSP contribution room. To determine this amount, pension plan administrators will be required to submit a detailed report of each plan member's earnings for the year and the amount of the plan member's pension adjustment.

Revenue Canada will use this information based on previous contributions to calculate the following year's RRSP contribution availability. This situation makes it virtually impossible for individuals to engage in any kind of long-term financial planning. In addition, the rules will make it extremely difficult for small pension plan

administrators to function without hiring additional staff solely responsible for pension adjustment reporting.

The Canadian Council on Social Development has stated in respect of a predecessor to this bill:

> We are starting to replace a progressive and visible benefits system with hidden subsidies that are in fact regressive. For example, we may eliminate the Old Age Security benefits among higher-income people—

That is the clawback:

> —but for the generation who will be seniors when this measure has its full impact, we are more than replacing them by increasing the limits on RRSP deductions and by putting in place a capital gains exemption. These kinds of measures provide high levels of subsidy, higher than the cut in the Old Age Security to high-income people.

Bill C-52 allows high income earners whose Old Age Security will be clawed back to more than compensate for the lost income by making increased contributions to RRSP. Meanwhile, because of the lack of inflation indexing in the clawback, future pensioners will see their Old Age Security clawed back at lower and lower income levels.

These policies, when fit together, spell the true intention of this government. It is to serve the better off in this society. This bill does not meet the test of what it will do for the least of these in our society. This will provide no assistance for the least of these in our society and therefore this bill is wrong in principle, wrong in practice, and must be opposed.

I would like to move an amendment:

> That the motion be amended by deleting all the words after the word "that" and substituting therefor:
>
> "This House declines to give second reading to Bill C-52, an Act to amend the Income Tax Act because:
>
> (1) the full benefit of the increased registered retirement savings plan limit will accrue only to the less than 1 per cent of Canadian taxpayers who earn more than $86,000 annually;
>
> (2) it fails to include provisions which would assist middle and lower income Canadians to provide for a stable income in retirement years.

Mr. Kristiansen: Mr. Speaker, I have a question for the member for Victoria. I am sure he was here for Question Period and undoubtedly heard the Minister of Finance and other ministers and members on the government side state over and over both on and off the record about how we have to "get a handle on the deficit". They were accusing the NDP and the Liberal party of not caring about debt, of not caring about deficits and of being financially irresponsible. They said we have to wrestle this whole deficit problem to the ground and so on.

I am in a bit of a quandary and somewhat puzzled about that. I have a hard time understanding how anyone can square that kind of lecturing about financial responsibility and the importance of reducing the deficit and debt while at the same time coming before this House this afternoon with a proposal which in effect will increase the deficit by some $5 billion or $6 billion. I would ask the member from Victoria how he would square this posturing with the government's action in this bill. Does the government really care about the debt?

Mr. Brewin: Mr. Speaker, it will not come as any surprise to my friend that I have great difficulty squaring the circle that he has identified. In fact, far be it from me to try to explain the approach of this government, except to say that if one looks for a logical, fair and reasonable analysis of the fundamentals of this government's policy, it ultimately becomes clear that this government is not concerned about the deficit. This government is not concerned about reducing government expenditures generally. If it were concerned about those matters, it would be reducing interest rates, which is the largest expenditure the government has. It would not be putting forward this bill at this time, because this bill will cost the Canadian taxpayers between $5 billion and $6 billion annually.

Instead, the government is picking the kinds of expenditures which it wishes to cut because of its philosophy and its point of view. This government does not favour public expenditures for transportation; this government favours the use of the automobile which is, of course, environmentally damaging compared to other forms of public transportation, rail in particular. This government does not favour public broadcasting. It cuts back on the CBC. This government does not favour the public pension system, it favours the private pension system in this country. The government's works are to be judged by what it does, and in this bill it clearly demonstrates where its preferences are.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I heard the hon. member say he would like to get interest rates down. I appreciate that that is a very worth-while objective. How would he do it?

Mr. Brewin: Mr. Speaker, the government has the fundamental direction of the economy of this country, including the Bank of Canada.

Mr. Thacker: Let's hear what you would do.

Mr. Brewin: You make it very clear to the Governor of the Bank of Canada that interest rates in this country must be dropped. Interest rates in this country are not governed by the market-place, they are governed by the Bank of Canada and it is the responsibility of this government to be concerned—

Mr. Thacker: Then what happens?

Mr. Brewin: And then what happens? Then we find that first of all, instead of a deficit of monumental proportion, the deficit begins to come down, business confidence begins to return to this country, investment begins to happen again, we avoid the recession, and revenues from salaries and from other sources improve so the deficit comes down. The economic encouragement for this country improves and the world is a better place.

Mr. Whittaker: Mr. Speaker, the particular bill which is before the House raises the limits to $15,500, which means that people on the upper end of the scale get the benefit of this. It appears to be a fact that there is a continuing feminization of poverty within Canada. This trend, I believe, has continued over a good number of years. It seems to me that the thrust of this bill has done nothing to assist women to ensure that they will have adequate pensions or retirement savings because usually women are paid at the lower end of the scale, some 65 per cent less than men. Would the hon. member comment on the feminization of poverty and the impact of this registered retirement savings legislation has on that aspect of the women's lives.

• (1600)

Mr. Brewin: Mr. Speaker, my friend makes a good point. The fact is that poverty is a particular problem for women in our country. In 1986 women made up 56.1 per cent of all low-income Canadians, compared with 57.3 per cent in 1981. All indications are that the percentage is even higher today.

Only 16.5 per cent of female taxpayers, or 1.3 million women, contributed to RRSPs in 1987, compared to 24.1 per cent of male tax filers, that is, 2.1 million men. That actually inflates the number of females who contributed to RRSPs because that is based on women who actually filed tax returns. It also does not take into account income splitting where it is legitimate and possible under current regulations. While women represented 39 per cent of the total number of RRSP contributors in 1987, they contributed only 32.8 per cent of the value. Men made up 61 per cent of the contributors, holding 67.2 per cent of the value of the RRSPs.

The fact is that it is the women who are most seriously disadvantaged under the present system of pensions in the country. It is senior women who suffer the greatest impact from a lack of an adequate pension system in this country. Many women do not obtain even the benefits of Canada Pension Plan or, if they do, they obtain minimum benefits.

This particular bill offers no assistance to women and the increasingly distressing trend under which women are disadvantaged.

The Acting Speaker (Mr. Kempling): The amendment put forward by the hon. member for Victoria is in order.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I feel fortunate to be able to speak on the amendment which the hon. member has moved. I think it is important for us to take a look at its contents. The amendment clearly gives reasons as to why we do not want this bill to be read a second time at this point. It states that the full benefits of the increased registered retirement savings plan will only accrue to less than 1 per cent of Canadian taxpayers who earn more than $86,000 annually and that it fails to include assistance to middle and lower-income Canadians to provide stable income in their retirement years.

We have to recognize that there are a couple of trends relating to the elderly taking place in this country. I have had the opportunity in the last several weeks to attend hearings of the health and welfare committee. This committee is studying the question of aging in Canada and health services as they relate to the elderly.

The first thing that comes from all demographic information is that the number of people living to an old age in Canada is increasing dramatically. The percentage of elderly people in this country is also increasing dramatically. There are many reasons for this; improvement in health care, improvement in the workplace and changes in nutrition which have lead to an increase in the life expectancy of people. There are also some

things that have not changed dramatically. One of them is the number of elderly women who live beyond the age of 75 far outnumber the males.

I am quite interested in the question of services for the elderly because I come from a family which lives a very long time. My grandmother lived to 96, my great-aunt was 94, my mother is in her mid-eighties and has seven sisters, all of whom are alive. The youngest sister is in her late sixties and the oldest one is approaching 90 years of age.

In my father's family, my father passed away a year or two ago at the age of 93. One of the myths in the family, which we are having difficulty documenting because records in southern Russia are hard to come by, is that my great grandfather lived to be 109.

So I am vitally interested in what kinds of services are going to be available for the elderly not only in the next 20 or 30 years, but in the next 40 or 50 years. The position of the elderly in Canada has improved, particularly when it comes to income and financial security. It has improved mainly through the introduction of old age security and the Canada Pension Plan. Those are the two vehicles that Canada has used to provide universal and equitable pensions.

The only problem with the Canada Pension Plan and old age security is that initially it was intended to be extended. In the last number of years the scope of the Canada Pension Plan and the contributing factor has been diminished and the government has more and more looked on private pension plans, whether they are run by unions, by corporations and upon the RRSP program to allow the elderly to look after themselves in their old age. That is fine for people in the unionized workforce where they have good private pension plans. It has not worked for those who are in non-union or service jobs where there is no company or government-sponsored pension plans.

The RRSP has been nothing but a tax grab for the wealthy. It has nothing to do with providing universal high-calibre pensions for all Canadians.

• (1610)

If we look at the whole question of who contributes to RRSPs, one of the first things we will find is that not all Canadians are involved. Those on very limited incomes do not contribute. In fact, those with total incomes of less than $5,000, only .9 per cent contribute; those with incomes of $5,000 to $10,000, 3.7 per cent contribute. When we get up to those earning $25,000 nearly 33 per cent of taxpayers contribute to RRSPs. Those with incomes up to $50,000, 57 per cent contribute to RRSPs. So there is a disproportionate rate of participation in RRSP programs based on the level of income.

It is very simple. There is nothing mystical about it. The family man earning $25,000 does not have additional money that he can put in the bank for his old age regardless of whether there is a tax break or incentive to do that. The person earning over $50,000 has disposable income and he puts it aside for his old age. But he does not do it on an equal basis as the person earning $25,000. He does it with tax incentives that are much greater.

One of the real anomalies in the question of RRSPs is that if a person in the lower tax bracket of $20,000 makes a contribution of $1,000, he gets $264 back in a tax break. But if a person on a low income can afford to contribute, he or she will get $264 back for every $1,000 contributed. If a person in the highest tax bracket contributes $1,000, he or she gets $450 back. What kind of system gives the wealthy twice as much cash back as the poor?

That is the whole structure of the RRSP program. It is really an incentive for the wealthy to put aside money for their old age so they can have their retirement in comfort in Hawaii, Florida or the Bahamas. It is not designed to ensure that women who have worked all their lives at jobs paying $15,000 a year can afford to have adequate housing, food, clothing and transportation when they reach an elderly age. That is why it is so unfair.

I do not know why the government, if it is going to continue with an RRSP program, does not turn it into a credit system so that the person earning $20,000 a year gets the same benefit as the person earning $50,000 a year. If we really believed the Conservatives wished to do away with poverty in this country, particularly poverty for the elderly, they would reverse it. They would give twice the tax credit to the person in the lowest income level

than to the person in the highest income level. Unfortunately, I do not see that in the proposal.

The other thing I want to discuss are the proposals put before the House by the Conservatives. Basically, there are two. There are a number of technical ones which are of benefit and some which are not. One is to lower the rate from 20 per cent of earned income to 18 per cent of earned income and to increase the ceiling from a maximum effective earning power of $37,500 up to something like $86,000.

In this amendment the Conservatives are reducing the amount of RRSP contributions and, therefore, tax rebates for people earning less than $37,000 or $40,000. For people earning over $45,000, the contribution and, therefore the tax refund, cash in hand, is the same as writing them a cheque for $7,500. This has been increased for those earning over $50,000.

Today the person earning $20,000 can contribute $4,000, 20 per cent. Under the new proposal they can contribute 18 per cent which is $3,600, a reduction of $400 that they can contribute to RRSPs. In other words, the ability of that person to contribute to RRSPs and to shelter their tax or to get a tax rebate is lessened.

A person earning $86,000 today can contribute $7,500. Under this proposal they would be able to contribute $15,000, an increase of $7,500. So what is happening is the government is reducing the amount people with low incomes can contribute, thus reducing the tax rebate and giving a windfall to those earning between $37,000 and $86,000. I do not know why I am surprised by what this government does. I make enough that—

Mr. Thacker: How much do you make?

Mr. Karpoff: —if I were not paying pension plans, I would contribute to an RRSP. If this government would bring in the same pension program for all Canadians that they made sure they brought in for the members of this House, I would be most pleased.

The reality is that this is an incentive for those earning between $37,000 and $86,000. At the same time it is punishing those earning below that amount by reducing the amount they can contribute. This is going to cost us another $350 million to $400 million.

The Minister of Finance stands over there and says we have a debt problem. Well, there is $400 million he can save today by simply withdrawing this bill. Withdraw this bill.

Mr. Wilson (Etobicoke Centre): You are wrong. Read the bill.

Mr. Karpoff: It is an additional $350 million to $400 million which will bring the total to over $10 billion for tax incentives for the wealthy in this country.

I say to the Minister of Finance if he has that extra money I have some better suggestions relating to pensions and income, particularly for the elderly. The minister could save $350 million and increase the monthly income of the 600,000 women in this country who rely solely on old age security and GIS. He could increase it by $30 a month. That is $360 a year. That is a lot of money. That is nothing compared with the extra $7,500 he is giving the person earning $86,000 in a tax incentive program like this RRSP proposal. If he has this extra $350 million to spend he can put it in the pension program to guarantee that Canadians can have dignity in their old age and afford to live in some comfort. Do not put it into a program which will make sure the wealthy are holidaying in Hawaii while women with minimal incomes are living below the poverty line.

• (1620)

Myself and the New Democratic Party are in favour of pensions. We are in favour of pension reform but we are not in favour of another tax grab for the rich.

Mr. Thacker: Mr. Speaker, I think I distinctly heard the member make a case against RRSPs. Is it the New Democratic Party's policy to do away with registered retirement savings plans in the nation?

Second, he argued against the tax deduction and in favour of a tax credit. Does that mean the NDP now realizes and accepts that the earlier tax bills that switched from deductions to tax credits were good bills?

Mr. Karpoff: Mr. Speaker, let us look at the difference between a tax credit and a tax deduction. If the Tories are really interested in whether this is a tax reform or helping people save for their old age, why do they not give at least an equal break to those earning $20,000 and those earning $86,000? Right now, the government is

giving twice the amount of tax back to the person with a high income as to a person with a low income.

One of the things we have to look at in our whole tax structure is what are the tax advantages for tax credits? That is one of the reasons why the NDP is calling for a royal commission on taxation in this country. Repeatedly the government has taken steps which have increased the tax burden on the low and middle income and have decreased the tax burden on the wealthy. The NDP is saying: "Look, let's quit playing piecemeal games with tax reform. Let's throw out this GST. It is not a sustainable tax reform program. Let's not play around with Mickey Mouse juggling of changing RRSPs here and there. Let's look at real tax reform. Let's have a royal commission on tax reform".

We oppose this legislation that increases the tax write-off for the wealthy at the expense of those earning less than $37,000. I would ask the Conservatives: how do you go back into your ridings and explain to the person earning $30,000 that next year their contributions are going to be less, while at the same time saying that their friend down the road who is earning $86,000 is going to get a tax credit of $7,500. The government is going to give him cash. That is the same as $600 a month back in his pocket. How do you explain that?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I notice that the hon. member did not reply to my colleague's question. I assume that the policy of the NDP is that RRSPs are bad, as he clearly stated in his speech, and that if it was in government it would scrap RRSP legislation.

The second point I would like to make is that the member refers to only one-half of the bill. He has not made any comments on the substantial closing of loopholes that the existing pension legislation has provided in a number of areas. These are very clearly set out in the notes describing the bill. I ask the hon. member whether he is not in favour of this when he says they want to scrap this bill? Is he saying let us leave those loopholes open or is it again a question of the NDP closing their eyes to loopholes and not giving the government the opportunity to close these to make for a fairer tax system?

Mr. Karpoff: Mr. Speaker, if all it did was close loopholes I think you would find our party supporting it. This bill is creating a bigger loophole, the biggest loophole you can, by giving a tax incentive of $7,500. This is not an incentive but cash in the hand for someone earning $86,000.

The NDP position on RSPs is very clear. We would freeze the program at its level and put it into a credit program so that people on low incomes would have the same tax advantage as people on higher incomes. Personally, I would like to see our party go further and make the tax credit twice that for the person who earns $20,000 than for the person who is on an income of $50,000.

Ms. Mitchell: Mr. Speaker, I would like to clarify something for the information of the House. When we heard the family history of the hon. member, it may have sounded as if he had a vested interest in this program. I assure the House that he has a very long experience and is an expert in the field of social services, particularly in administrative and policy matters.

He referred to older women and I could not agree more and support him in that the real tragedy still faces older women in the country. He pointed out very clearly the unfairness of the present RRSP in this bill as it impacts on older women.

Our leader heard from seniors in Toronto who, of course, were very concerned about the impact that the GST will have on them and she heard from seniors in Quebec and their concerns about the clawback.

He has mentioned other things. I also want to refer to the fact that very few older women in Canada are eligible for the Canada Pension Plan because many of them have been homemakers or they have come into the labour market very late. They have not been able to build up sufficient points for adequate income from that source.

I cannot recall myself, but I wonder if he would clarify that the GIS is not indexed. I think that is correct. Certainly, the Conservatives tried to deindex the old age pension itself and seniors said they would not have that.

The other thing perhaps he might comment on is the fact that, and this is an item he is quite an expert in, we hear very worrisome rumours that the federal transfer payments for the Canada Assistance Plan are likely to be restricted. This will have a tremendous impact on social services of all kinds and, particularly, income support

programs for older people. I wonder if he would comment on those items.

Mr. Karpoff: Mr. Speaker, the hon member for Vancouver East has raised a number of very critical questions in areas that I could spend another half-hour discussing.

I want to comment on the last one particularly because it is going to be one of the major issues that this House has to deal with in the next period of time. It is the rumours that the Canada Assistance Plan, which has been an open-ended, cost-sharing program with the provinces, is somehow going to be limited.

The people who are going to be hurt are those on various types of social assistance programs or those who are on supplementary programs for the elderly. The provincial governments can and do supplement through the Canada Assistance Plan types of income support and care programs for the elderly. I keep coming back to the fact that one of the things that we still have not fundamentally addressed in this bill is the discrepancy in income security between men and women in this country, particularly over the age of 65.

I would just like to point out a couple of figures. In 1971, the average income from all sources for men was $12,500. For women it was $6,183. By 1986, for men it had increased to $16,700, which is getting up to $1,500 a month. For women it was still just over $10,000, which is $800 a month. You cannot live in metropolitan areas and pay rent, buy food, have transportation and medical care on that level of income.

• (1630)

Mr. Atkinson: Mr. Speaker, in the member's comments he referred to benefiting the rich in our society and hurting the lower income people. I wonder if he would comment on the fact that there is a seven-year carry forward in this particular act resulting in a young family, or someone going into the labour force, having this seven-year carry forward of an unused contribution. As well, the limits will be frozen until 1995. If you look at 1995, it is interesting to note that the $15,500 limit in that year will be the same fraction of the average industrial wage as the limit of $4,900 in 1976 when the limit was $5,500.

Mr. Karpoff: Mr. Speaker, the member raises a point of this carry-over. That is all very nice. The trouble is that if you cannot afford to do it this year, you cannot afford to do it next year or the year after, the likelihood that in seven years from now when you are still supporting your family and still on an income of $27,000 that you could then afford to do it not only for that year but for the past ten, seven or five years is just nonsense.

All it is going to do is make sure that the wealthy, who maybe for some reason this year have a little problem with cash flow because they bought another investment or they put money into an apartment block, can pick up on it next year.

I do not see it as any incentive for the poor, or even the people on middle incomes, I see it just as another give-a-way for the wealthy to make sure that their cash flow is not hurt when they invest in RRSPs.

The Acting Speaker (Mr. Kempling): The time for questions and comments has expired. On debate, the hon. member for Okanagan—Similkameen—Merritt.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today to speak on the amendment. I think it is a valid amendment in that it points out with some clarity the New Democratic Party position on this particular bill. I would like for the record to read again, for emphasis, the two points that are made:

> (1) the full benefit of the increased registered retirement savings plan limit will accrue only to the less than 1 per cent of Canadian taxpayers who earn more than $86,000 annually.

I will comment on that in a minute.

The second point:

> (2) it fails—assist middle and lower income Canadians to provide for a stable income in their retirement years.

Now, I think the first point is the crux of the whole problem with this government's thrust toward tax reform, toward many of the programs that we have seen instituted over the last five years. Whether it be the Unemployment Insurance Act changes, free trade, or the clawback, it emphasizes to all Canadians what is happening.

The program that we see before us, as was emphasized to me as I travelled across Canada with the finance committee, emphasizes the polarity between the rich and the poor. This is of major concern to me and the New Democratic Party and to many Canadians to whom I and

others have spoken with regard to the direction in which this government appears to be going.

The government should be ensuring for future generations some balance in the incomes of Canadians, an equality of life for Canadians, whether in their own homes, their communities, their provinces or their regions. Canadians should be able to hold their heads high with the knowledge that there is economic and environmental equality. Instead, we are seeing this polarity.

The rich appear to be getting the benefit. As my grandfather used to say, "Them what has gets". I think that is exactly what is happening here. The rich are getting richer, the poor are getting poorer. If we continue with this particular agenda, fewer and fewer middle-income people will to be able to live with their heads high. By this type of legislation we are forcing those who are a little less fortunate into becoming poverty stricken and increasing the distance between the middle income-earners and the rich, those who have.

The major thrust, I would suggest, to the New Democratic Party's position is not to increase or expand upon this polarity, but to move toward the equality that we in Canada have come to expect of each other and of our governments. The thrust in any legislation, whether it be social or pension legislation, should be a thrust of equality, a thrust of fairness, something that people can look to and say: "That will help all Canadians, not just a limited few".

The suggestion of the New Democratic Party is that we should not be looking at the upper end of the scale. We should be looking at the over-all picture of universal pensions for women, for men, for rich and for poor alike, something portable, something that we can hold on and look forward to so as to ensure that we can live comfortably in our golden years. We do not have to live with all the baubles, bangles, gold and silver and all that glitters. It is a matter of comfort and having what is necessary or essential to be able to carry on and live in dignity in those retiring years.

I would suggest the way to do that is through our Canada Pension Plan system, ensuring that that plan is portable and adequate and treats men and women alike with equality. We have seen for too long all the problems which women have run into with husbands' pensions.

As I said earlier, women make 65 per cent of what males make on average. I would suggest that this in itself shows the inequality within our system. We must strive for greater things than simply looking to a small section with blinders on. It is a broader perspective. It is something that we should be working toward together too ensure the equality and fairness that I spoke of earlier.

• (1640)

At present, under the proposed legislation, at the end of 1995 those who make $86,111 will be able to put in the maximum $15,500. This scales up over a five-year period. Again, it emphasizes that those who will be able to use the upper limit are those with the higher incomes, those who probably already have other investments, who have put money away in other things, who are looking after themselves and have the maximum Canada Pension Plan.

I am not saying that they should not put money away for their future in Registered Retirement Savings Plans and the New Democratic Party is not saying that we are against Registered Retirement Savings Plans. We have never said that. We are saying that we are looking in the wrong direction. We should be looking at the area of universality of our pension plans.

There should be a cap placed on those pension plans. I do not think the dropping from 20 per cent to 18 per cent of earnings assists the middle and low-income earners. That, it seems to me, tends to hurt the low and middle-income earners and assists those in the upper-income area.

I would suggest that the seven-year carry-forward contained in this legislation again, as has been emphasized by my friend from Surrey North, is more an advantage for those people with higher incomes and the ability to invest. Yes, from the perspective of a small business person who one year, if the economy picks up, may have a little bit of extra money, it has a certain flavour of advantage.

But if we look at who uses the Registered Retirement Savings Plan area, I think it becomes fairly clear that those who will use the seven-year carry-forward provision are in fact those who want to use their money for some specific tax advantage investment one year and then pick it up a year or two later when they reap the

benefits of that investment. But the low-income earner, unless he wins a lottery, is not going to have the money that is required to take advantage of that seven-year carry-forward.

So while I am saying that the carry-forward will assist some of the middle-income earners in some way, it is going to be a small percentage of those earners. The rich, again, will be the ones taking advantage of it.

I have referred to the number of tax filers who contribute to RRSPs in trying to emphasize my point of the carry-forward. In 1987, the last year for which I have figures, 57.8 per cent of those with incomes of $50,000 and over made an average contribution was $4,700. If we look at the other end of the scale, 3.7 per cent of those who earn from $5,000 to $10,000 contributed to RRSPs. Let us take a look at the middle incomes, $30,000 to $40,000. The proportion of tax filers who contributed to RRSPs in that tax bracket was 40.4 per cent, contributing an average contribution of $2,480. The maximum in 1987, of course, had just gone up to $7,500, so that is well below the average. It is apparent that these people are not going to be able to afford to use the seven-year carry-forward.

There are other problems in this bill. This is a complex bill and I do not pretend to totally understand everything about it. I do not pretend to know all there is to know about Registered Retirement Savings Plans as I am sure the Minister of Finance, who is working in this area constantly, would not claim to know everything about it.

The minister points out that the government is trying to cover loopholes. That could well be, but I am sure the minister knows as well as most lawyers, that as soon as you change any legislation there are minds out there that are quick and sly like the fox, able to ferret out and find loopholes. Being a lawyer I can confirm that every time new legislation comes up it leads to a wide range of new technical arguments. The tax area, which is one of the most complex areas of law in Canada, I would suggest, certainly leads to that.

In May of 1988, the joint committee on taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants called the amendments perhaps the most complicated tax rules ever devised. In order to calculate tax-free Registered Retirement Savings Plan contribution limits for those who are members of retirement savings plans, the legislation establishes a formula. You take the Registered Retirement Savings Plan limit, which is 18 per cent or the dollar maximum, and subtract from it the pension adjustment. In the case of the money purchase plans, the pension adjustment is simply the annual total of the employer-employee contributions. For defined benefit plan members, which are 90 per cent of those covered by private plans, the pension adjustment equals the annual benefit earned multiplied by a factor of nine minus 600. Clear to you, Mr. Speaker? And that is the simple part of it.

I would suggest that because of the complexity of the new rules, most individual taxpayers will no longer be able to calculate their allowable RRSP contribution room. At the beginning of each tax year the federal government will provide to each taxpayer a statement of available RRSP contribution room. To determine this amount, pension plan administrators will be required to submit a detailed report of each plan member's earnings for the year and the amount of the plan member's pension adjustment. Revenue Canada will use this information, based on the previous year's RRSP contributions, to calculate the following year's RRSP contribution.

This situation makes it virtually impossible for individuals to engage in any kind of long-term financial planning. In addition, the rules will make it extremely difficult for small pension plan administrators to function without hiring additional staff solely responsible for pension adjustment reporting.

We are asking the government to take the blinders off, to quit looking through this limited vision tunnel and to look at the broader expanse of where we are going in this society in this country. Let us get some real reform. Let us get proper pension reform so that, as I said earlier, people can feel there is equality and fairness in Canada for all Canadians, regardless of how they have made out income-wise in their younger years, so that they can live adequately in their golden years, with respect and dignity. Let this government hear the people of Canada. Let this government recognize that the future is not in this narrow vein. The future for Canadians, as has been set out by our forefathers, is one of assistance and equality for all.

• (1650)

Mr. Thacker: Mr. Speaker, the NDP often speak as if there is a huge group of people in this country who make vast amounts of money and are very rich. I would refer him, as a new member, to the income tax statistics. They are exactly the same, percentage-wise, over the years. If a Canadian makes $30,000 total income, not net, that person, in terms of taxpayers, is already just over the 85 percentile. So less than 15 per cent of Canadians make over $30,000 gross income.

If a person's income is $50,000, that person is at 98.15. So less than 1.5 per cent of taxpayers make more than $50,000. That tells you there is not some huge number of vastly rich people out there. We are they. We make $60,000, and we are 99 per cent. Nobody makes more than us. So this whole pension plan is to let people like us take a deduction during our working years and build up a pension. If that does not work we will have to be content with the Canada Pension, for what that is worth, and the Old Age Security and the GIS.

My specific question is this: Is it NDP policy to be opposed to the RRSP? That is a major policy change. I admire them, but I want to be able to go up to the doorsteps and say: "Is it your policy, or is it not"?

Mr. Whittaker: Mr. Speaker, even though my friend was there, I think what he has emphasized to the people of Canada, what we have been telling them in the House of Commons and what the people of Canada have been telling them ever since I was elected here in 1988 is: "You are listening, but you do not hear". If the hon. member had not only listened but heard, he would have heard me say that it is not the New Democratic Party policy to do away with Registered Retirement Savings Plans.

It is obvious that the hon. member has done exactly what the Minister of Finance has been doing, what the Minister of Employment and Immigration has been doing and what the Prime Minister and his party have done in the free trade debate. They have listened and they have listened well, but just like the dopes that I believe they must be, they have not heard. I would suggest to those members that they should take out the earplugs, open their ears, quit sitting there in their fog and listen to the people of Canada and hear what they are saying.

I would like to turn for a minute to something this hon. member has told us. I think he has made the point very well, that is, this government is controlled by 1.5 per cent of the people of Canada, those higher income earners. It is the other 98.5 per cent to whom this government should start listening. They have been ignored for too long. People can only be pushed so long before they revolt. This government more and more is heading for that revolt.

That is the case not only in taxation but in other areas such as racial discrimination. This polarity is pushing people into economic hardship. As the hon. member for Windsor—St. Clair said yesterday in his wonderful speech, this government's policies are causing problems across Canada and it is time that it started hearing the people.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, on rising to speak in opposition to Bill C-52, which would raise the limits for RRSP purchases to $15,500 over a five-year period, I could not help but think that politics is about making choices.

We are constantly lectured by people on the other side that we on this side of the House do not give a damn about debt, do not give a damn about deficits. That is not true. If anything points out the reality, if there is anything in this House which does not take deficits and debt seriously, it is this bill proposed by that bunch over there.

What is the impact of this legislation in terms of cost? Currently tax assistance for retirement savings costs the federal treasury an estimated $5 billion to $6 billion each year in foregone tax revenues. This new legislation will cost an additional $300 million to $350 million in 1991-1992 alone. That does not seem like a lot of money to some people in accordance with the size of the entire federal budget. However, to give an example, the Canadian Centre for Occupational Health and Safety is being junked by this government to save $10 million a year. That serves millions of working Canadians and their employers and is one thing that this government is shoving into the garbage can, along with the lives of thousands of Canadian workers, all for a measly $10 million, while here it gives $300 million to $350 million a year to people in our income category who do not really need the extra help.

Politics is about making choices. The title underneath this bill should be a paraphrase of the old quotation that the law in all its majestic equality provides that rich and poor alike may put $15,000 a year into RRSPs in order to avoid paying taxes. That would be just as hypocritical as the original saying that rich and poor alike are forbidden to sleep under bridges. It is exactly the same message.

This government is scrapping the Canadian Centre for Occupational Health and Safety to save $10 million a year. It has, to save some $500 million to $600 million a year, just about double what it is throwing away by this mechanism, ditched a rail system from one end of the country to the other. This has ended up effectively isolating many small resource communities in areas that do not have other effective means of transportation. Despite what the government says about some of those communities, they do not.

The government would not listen. It said that we have got to save the money. Yet here it is giving away half that amount of money because people in our income categories need its help so much. Like hell we do. We don't need that kind of help.

At the same time the government has sabotaged the UIC system to increase premiums for employers, whether or not they are making a profit, and employees alike, supposedly to save money, thereby creating another total aberration and turning upside down any idea of a progressive tax system. Withdrawing any support of the UIC system from general revenue has removed any incumbency upon the government to keep employment levels high and removed the incentive to keep employment levels high, because the government wants to save money. And then it gives away $300 million or $350 million a year to people like us who do not really need the additional help.

• (1700)

There is one last thing I want to mention because it really draws some of the priorities of this government into question. The government has recently imposed increases in municipal radio licence fees from one end of the country to the other.

In my community alone volunteers in fire departments and individuals who sacrifice a lot of their time, money and effort in order to provide emergency services to their neighbours find that their municipal, regional or county governments are being slapped with increased radio licence fees to provide for those basic emergency services that are health providing and life saving.

For a small community like my own in Nelson, British Columbia, that increase is 1,200 per cent this year. For the city of Trail, it is a 970 per cent increase in those radio licence fees. For the regional district of Kootenay boundary, it is a 1,789 per cent increase.

It is not enough for people on the government side to say: "Oh yes, but we have to encourage people to save a little more". Politics is about making choices. The government is constantly preaching that. This is one of the choices it has made.

The government has said that those who provide basic emergency services in local communities can go out and hang themselves. They do not count. They can pay extra. It is telling the workers and small employers of Canada who need information on health and safety that their problems are not important, that they ought to pay for their own health services and for their own health information.

The government is telling the unemployed and small employers across the country that they can afford to pay more in UIC premiums, and that people in our income category can have extra incentives to help ourselves at the expense of the general public.

I for one cannot buy that that is an intelligent political choice, a rational political choice or a moral political choice. It is immoral, it is impractical and it is wrong. Members opposite are making the wrong choices. We believe that there are better choices in maintaining and building an improved public pension system in Canada.

We are not talking about scrapping RRSPs. They are now an integrated part of the Canadian pension system, and it is appropriate, but the extent to which the government is going to increase their availability is damaging. Many people within the pension and insurance industry are telling them and have told them that they are damaging the very public and private pension system in this country upon which thousands and millions of ordinary Canadians depend.

Their choice is wrong. It is wrong headed. It is immoral. That is why we oppose this bill. I would ask

members opposite to remember why they are here, who they ought to be representing, and vote accordingly.

Mr. Peterson: Mr. Speaker, I have a question for the member. In 1983 Doug Frith was the chairman of a task force that looked very extensively at pension review. Would the hon. member let us know what aspects of this bill are in accord with the recommendations of the Frith commission and which ones are not?

Mr. Kristiansen: Mr. Speaker, I was here in 1983. A number of years has gone by since, including four years off for good behaviour during which time I had other priorities.

I am afraid I cannot recall the provisions of Mr. Frith's proposals in order to be able to answer the question clearly as to whether or not this falls within that ambit.

Mr. Peterson: I suffered the same fate for four years.

It dealt with the portability of pensions. It dealt with the indexing of pensions. It dealt with tax credits for pensions, particularly for the low income pensioner. Were any of these provisions included in this bill?

Mr. Kristiansen: Mr. Speaker, from my perusal of this bill the answer would be no.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I find it odd that we should be debating this bill. That is to say I find it odd that this measure should have been a priority of the government, when I remember the Conservatives in opposition making political careers, some of them, out of promising various groups of pensioners in Canada that once they came to power they would address the needs that had gone unmet under a Liberal administration.

The group of pensioners that I am thinking of in particular, probably because I have so many of them in my riding—indeed, I probably have more of them than any other member of Parliament, I would be willing to bet—is CN pensioners. Perhaps some of them now live in the riding of Okanagan—Similkameen—Merritt. I know some of them like to migrate out there in order to escape Winnipeg weather.

The fact remains that many promises were made to the CN pensioners by the Conservatives leading up to the election of 1984. The only thing that happened was that in the early years of the last Parliament in 1985 there was a special subcommittee which concerned itself with CN pensions. It made a number of recommendations. The report as a whole was not exactly what the various CN pensioners associations and advocates like Earl White and others wanted. Nevertheless had the recommendations been approved it would have been an improvement on the situation.

It is now six years since 1984 and not a blessed thing has been done about CN pensions. We do not even hear anything about it any more. It is like it is a dead issue, something that belongs to prehistoric political time. It is not because CN pensioners are all gone. They are still out there watching their pension incomes, their retirement incomes, progressively decline because their pensions are not indexed.

This problem is understandably more severe for those who retired a long time ago and whose retirement incomes have been progressively eroded by inflation and the rising cost of living. Yet nothing is done for these folks, unless one is able to imagine that the majority of people on CN pensions are in the category of people who would be able to take advantage of the increase provided in this bill *vis-à-vis* money that may be used for RRSP purposes.

I can tell you, Mr. Speaker, there are very few CN pensioners in my riding—in fact it would be difficult to find any—who would say: "Oh, boy, I can put up to $15,000 a year now in RRSPs, so I don't have to worry that there is no improvement in the CN pension plan and that the Conservatives haven't lived up to their promises to CN pensioners. I can now take advantage of the provisions in this particular bill".

You know as well as I do, Mr. Speaker, that those kinds of CN pensioners do not exist. They are only a representative sample of many other working people who have worked for other companies, private or public, and who have pension plans that need to be improved and also need to incorporate indexing which has not happened to date.

• (1710)

The government has not moved on that broad front of pension reform on which, I must say, in the early eighties there seemed to be some momentum toward doing. We had the report of the task force mentioned by a member just a few minutes ago. Doug Frith, the former member for Sudbury, was the chairman of that task force. We had a number of other commissions and task forces. In fact, we were buried in these kinds of reports and analyses. A

great deal of good work was done at that time by one of our own colleagues, the hon. member for Beaches.

It seemed that we were at the point where we were going to have some genuine pension reform and that some of the problems that had been accumulating and worsening in the seventies and early eighties were going to be addressed. Then what happened? It is clear what happened. The Tories were elected in 1984. They made Liberal stagnation with respect to pension income look like movement.

The whole question of pension reform simply dropped into the political Bermuda Triangle called the Tory right wing agenda. Never again did we hear anything about comprehensive pension reform. Never again after the subcommittee report on CN pensions did we hear anything about reforming the CN pension plan or any other pension plan of that sort.

Instead, we had the Minister of Finance saying things like: "The problem with Canada is that we do not have enough rich people". Do you remember when he said that, Mr. Speaker? It is not that we have too many poor people. It is not that we have a massive problem with child poverty. It is not that we have the feminization of poverty in elder years with respect to elderly women. It is not that any of the problems that have been pointed out by so many people with respect to the problems of ordinary Canadians are our greatest problems.

No, as far as the Minister of Finance is concerned, the problem with Canada is that we do not have enough rich people. I will never forget what I think was the most revealing moment, the moment that in a way will never leave me.

I saw clearly into the consciousness of the collective Conservative mind, and it was a dark thing to behold. It was the night of the first budget of this particular government when the Minister of Finance announced the $500,000 lifetime capital gains exemption. For the first time that evening all members of the government rose as one and gave the Minister of Finance a standing ovation because he had finally done the thing that would be so beneficial to the kinds of people who really run the Conservative Party.

I did not see any standing ovation in Transcona. I do not know anybody that was yearning, that felt punished by the fact that there was not a $500,000 lifetime capital gains exemption.

Mr. McKnight: Check with the member for Humboldt—Lake Centre.

Mr. Blaikie: There is no one there who would be in a position to benefit from such a measure. Yet that was the high point for the Conservatives.

The member for Kindersley—Lloydminster brings up the old Conservative bug-a-boo about capital gains with respect to farmland. He knows, as well as I do, that we have always said that that falls into a different category.

Mr. McKnight: How is that different?

Mr. Blaikie: But the Conservatives make no distinction between that and flipping condos in Florida, which is regarded by Conservatives as useful economic activity. When humans are at their best is when they are flipping condos in Florida and making money without doing a damn thing. That is what Conservatives live for.

Ordinary folk who are working eight hours a day, nine to five, doing the things that make the world go around, do not count. It is the people who are flipping condos in Florida and making big money. They are the people who have to be protected by capital gains tax exemptions. They are the people who have to be protected so that they can take what they make and put it away in expanded RRSPs. They are the people who have to be protected by the whole tax system. That is why we have a deficit in this country. It is not because of social spending or health care or education. It is because that for too long the whole tax system has been a big scam. The real impact of RRSPs, if you ask me, Mr. Speaker, has been to cut elements of the middle class in on the scam and, in so doing, hopefully silence them about the whole system. The problem with the deficit is tax expenditures, not government spending.

When I was elected in 1979 the Conservatives, under the right hon. member for Yellowhead who had the integrity to live up to one of the promises made by his party, released what was called a tax expenditure account. In that the government did what many people have been requesting for years. They said it is not just a question of taxes collected and money spent. There is also this third element, this unseen element in our

finances. It is what money is out there that we could have collected, but we did not what is technically called tax the expenditures.

Mr. Speaker, you remember; you were there. The Conservatives brought out this tax expenditure account, to their credit. The tax expenditure account, if I remember correctly, for that year showed that in that year the Government of Canada forfeited in the form of tax expenditures $32 billion. In that same year the deficit was $14 billion.

In that same year, when people were hysterical about the deficit even then, the fact remained that what the government did not collect in the form of tax expenditures was more than twice the annual deficit. It is not to say that all tax expenditures are wrong. For instance, the child tax credit is not. This is not a blanket condemnation of all tax expenditures.

But we know that many of those tax expenditures have taken the form of various kinds of incentives for business. At that time there was a lot of money being spent in terms of super depletion allowances, depletion allowances, write-offs, you name it, in the north to get oil companies to go around making the Arctic look like a pin cushion. They were getting $1.10 for every dollar that they spent. They could not lose, whether they ever discovered any oil or not.

Those kinds of things continue. A Conservative government might come along and clean up a few things that the Liberals were doing, but with the other hand it would create other opportunities for the corporate community to farm the tax system, to farm the taxpayers' pockets, to farm the pockets of ordinary Canadians so that their position, whether it be individual or corporate, could be enhanced.

What are we faced with? At the same time as the government is enhancing a provision that already costs the government $5 billion to $6 billion a year, ordinary Canadians, like a lot of the CN pensioners in my riding, cannot even get to their cottages any more because they cut the train. Ordinary folk cannot take the train any more because even on the trains that are left the fares have sky-rocketed.

All this is done in the name of fiscal restraint, while with the other hand we need to make life a little easier for those who might have $15,000 to put aside in an RRSP. It makes you want to puke, Mr. Speaker. It absolutely makes you want to puke when you think about the priorities of this government.

What are we going to see in the budget because the government has to give away more money in the form of RRSPs? We are going to see, we are told but we hope not, cut-backs to Established Programs Financing, transfers to the provinces, which are transferred to the provinces for the financing of health care and post-secondary education. The health care system is already strained to the absolute limit. The federal government is being criminally irresponsible with the medicare system by constantly, budget after budget, unilateral decision after unilateral decision, putting more and more of the burden on to the provinces. At some point the system will break. It will be these same people the government likes to cater to through the tax system who will be the first ones to call for a private health care system alongside the public health care system.

• (1720)

Who will be on the losing end of that? It will be the people who will have to use the public health care system, the people who do not qualify for RRSPs, the people who like to use the trains, the people who are not part of all the frequent flyer clubs with everybody going back and forth to Singapore and everywhere else because they are part of the aircraft culture that leaves people who use trains in a hole somewhere.

They ask what this is all about. It is a totally misguided and immoral direction that this government is taking the whole country in and the middle class, what is left of it, will be eliminated. The upper middle class might survive, but the middle class will be eliminated. We will all be running around cutting each other's throats for jobs that are paying less and less.

The kind of people that this country has been built on—decent, hard working, honest, organized people—who have managed to make a good living because they have strong trade unions and have worked in traditional industries actually producing something, are the people who are on the hit list of this government. These are the people who have to disappear because of international competitiveness and because of the free trade agreement, because of privatization and all of the other things that this government has visited on the Canadian people like an affliction. It is similar to the way the Egyptians were afflicted with the seven plagues. We have been

afflicted as a country with the various plagues that this government has brought down on us.

Just the other day I learned that Varda Batteries, a company in Winnipeg, was closed down because Investment Canada approved its purchase by an American company. Five days after the purchase was approved the battery plant shut down. That is what I call real good policy on the part of the Conservative government.

The other day I heard that Air Canada, now privatized, is going to contract out its commissary services, its food service industry. The jobs of 450 people are threatened because Air Canada has to be like everybody else. They have to contract out here, contract out there, and contract our there.

Do you know what it is, Mr. Speaker? It is all just union busting. It is nothing else other than union busting, taking people who have been able to make a decent living because they have been paid a decent wage and putting them in a position where they go from $12 to $6 an hour or $18 to $9 an hour, or whatever the case may be, and that is called progress. We in this party call it despicable.

Mr. Karpoff: Mr. Speaker, the hon. member mentioned the seven plagues in Egypt. I thought that the Conservative attitude was much more that they expect the taxpayer to be like Job and suffer repeated humiliations.

I want to ask about RRSPs as they relate to capital investment funds. I wonder whether one of the motivations behind this move is not that the Conservatives have been told by their friends in the investment business, particularly those in mutual funds, life insurance, and all those types of financial organizations that are using the pools of RRSP money for their investment purposes, to make sure that there is this pool of investment. The person gets such a great tax benefit from it. It gives all this amount of captured money which can then be spent in investment. This is opposed to what they really should be doing, which is to increase dramatically the contributions to the Canada Assistance Plan. That would, then, give the government a pool of money it could use for capital investments which would benefit all Canadians, not just the ones who had control over pools of capital investment.

I remember talking with a person in the life insurance industry. We were talking about private life insurance programs, many of which are pawned off as pension plans by the private industry, and the business about the Canada Assistance Plan. He said: "They are going to make sure the Canada Assistance Plan is never going to be adequate, because if it is it would mean the death of private pension funds, life insurance programs and that they could not raise the money to liquidate if they had to".

I am wondering if the hon. member has any comments as to how much of this is part of a structure simply to make sure that mutual funds and other life insurance companies, particularly American ones, have an adequate pool of investment capital at their disposal.

Mr. Blaikie: Mr. Speaker, what the hon. member points out is that this is part of an ongoing struggle between those who would like to see investment decisions in Canada be part of a larger public decision–making process and those who feel that investment decisions are purely a private matter that should be in the hands of insurance companies or the corporations, or whatever. That is why there is so much resistance to accumulation in the public sector of funds that might actually be used in some intelligent way, according to some rational plan about what the Canadian economy might look like.

They hold to the view that the best form of plan is no plan at all, that all the random individual and corporate decisions are cumulatively the invisible hand of Adam Smith which will look after everyone in the final analysis.

Tell that to the thousands of homeless in Canada. Tell them that Adam Smith's invisible hand has looked after them.

Tell that to the hundreds of thousands of children in this country who are in poverty. Tell them that Adam Smith's invisible hand has looked after them. It has not been an invisible hand; it has been a mailed fist.

One of the things that has always amused me with respect to investment capital is many of the countries which free enterprisers across the way have always held up as examples of economic productivity. I would not want to hold them up that way, because I have other criticisms to make of them.

Take Japan, for instance. One of the reasons it has been as successful as it has is that it has influenced investment, because there has been a political will on the part of government to make collective decisions about investment *vis-à-vis* a long range plan for the country. What happened in Japan in the last 30 or 40 years was not the result of a whole bunch of individual investment decisions. It was the result of government influencing investment decisions.

In Canada this has always been regarded as Communist or Bolshevik, or whatever. That is why in both Canada and the United States we are going down the tubes economically because we do not have the political will to have an industrial strategy, or even a post-industrial strategy, or any strategy at all like they have in Europe or Japan or in other places. We are going to pay a price for not having that political will.

We have tied ourselves to a falling star called the United States of America, which has even less political will to have such a strategy. Until the people of Canada say to the Canadian government that they want some sort of political accountability for investment decisions, we are going to continue to have the kind of problems we have and the kind of pension system we have.

Mr. Whittaker: Mr. Speaker, it was interesting to hear the speech of my hon. friend from Winnipeg—Transcona and hear the more particularized aspect of some of the other things. When I spoke, I spoke on a more broad perspective. I would like to refer briefly to the hon. member's comments about CN pensions and the particularization of that. I note that two members from our party, the member for Burnaby—Kingsway and the member for Nickel Belt have not forgotten, as the government has, about CN pensions and the problems with them. I point out and ask for the comments of my friend as to whether the following motion put forward as Motion No. 427 by the member for Burnaby—Kingsway would do something toward fixing the ills this government has been ignoring in so far as CN pensions are concerned for the last six years. The motion states, in part:

> —the government should consider the advisability of introducing legislation concerning the pension fund of Canadian National Railway, which:
>
> (1) would provide that pensions be indexed to the extent that such indexation is actuarially viable with the funds that have been paid into the plan, the unfunded liabilities of the company, and the funds that are being paid into the plan on a current basis; and that, in any event, the minimum indexation to be paid should be indexation to the consumer price index commencing on the retirement date of each pensioner, including those currently receiving pensions; and
>
> (2) would provide that excess earnings on money contributed by employees and former employees must be distributed on an equitable basis to employees and further employees only, and not go into corporate coffers.

Would this go some way in assisting my friend?

• (1730)

Mr. Blaikie: Mr. Speaker, it certainly would. What the hon. member for Okanagan—Similkameen has outlined, as part of a motion submitted by the hon. member for Burnaby—Kingsway, is precisely the kind of measure that the government should be taking in respect of CN pensioners and also with respect to many other pensioners.

Here we are again talking about people who can take advantage of this expanded RRSP limit. If they have $15,000 a year they can put it in an RRSP. Yet all the employees of Route Canada ended up with no pension at all. No pension at all, after some of them having worked 20 years or 30 years, because this government privatized CN Route. It sold it to one of its buddies who turned over some of the assets and made a lot of money in New York somewhere. The people in Transcona and elsewhere in the maritimes who worked for Route Canada were left with absolutely zilch. That is the definition of justice for pensioners that we get from this government.

Looking after pensioners like the people who lost their jobs with Route Canada and looking after the people from CN is the type of action that we need, and it is the kind of action that we have not been getting.

The Acting Speaker (Mr. Kempling): The time for questions and comments has expired.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I am not pleased to participate in this debate today, but I feel that I must because there is something very sinister going on in this House today.

I have just come from the Standing Committee on Finance where members of the New Democratic Party said that since most Canadians do not understand the details of the proposed goods and services tax and they cannot get answers when they phone the GST hotline, they thought it was appropriate to travel so people could express their views and ask questions about matters which concern them, whether they be ranchers, community groups, native people, small business organizations or simply individuals. It would appear that the committee is going to say no, that it does not want to have any more input into this. Although 80 per cent of the people are opposed to it, the committee says: "That is okay, we are

just going to ram it through the House of Commons by ramming it through the committee first".

That exposes what is really going on in here. The government is of the mood that since it has the majority, in terms of the last federal election, it can do anything it wants and it gives them *carte blanche* to just do whatever it wants, whenever it wants and in whatever way it wants.

Mr. Speaker, you are sitting in the chair today, and government members largely sit on that side of the House and the opposition members sit on this side of the House. It is a balance, and that is our parliamentary system. The government expresses its views on certain pieces of legislation or motions that it puts before the House. The opposition has an obligation and a responsibility to provide an opposition viewpoint to critique legislation or motions in a positive way or, in some cases, to congratulate the government on certain initiatives and vote with the government to send a message out to the people of Canada, such as the message on linguistic duality. We feel strongly about that. I hope that the motion comes before the House tomorrow and we rally around and say that this is something we believe in, that it is important and we unanimously support this motion. What a wonderful message that will send to people who are perhaps wondering where members of the House stand, where certain political parties stand or where certain individuals stand. We will send a clear message.

• (1735)

We could have a whole list of areas where the government has simply said: "Listen, we are the boss. We are big brother. We know what is best. We know what taxes to introduce. The fact that 85 per cent of people do not agree with the goods and services tax, that is okay. We will just ignore that. We are going to use closure, time allocation, cut off debate and curtail debate because we are the government. We can do anything". Well, we are about to see that that is not the case.

I know the government does not think that that can be done. Let me put the government on notice right now that we believe it can. We believe that when the rights of the opposition are trampled upon and ignored, when the rights of the opposition are simply laughed at by the government, it is going to be in for a major surprise. We will have to wait for a day or two to find out what that surprise is, Mr. Speaker, but I think the government is going to be very surprised that it simply cannot act in this big government way.

Can you imagine, Mr. Speaker, what this goods and services tax is going to mean. Thousands of new tax collectors are going to be hired, not 10, not 100, not 1,000, but thousands. John Bulloch, the president of the Canadian Federation of Independent Business, the person who has studied this legislation from one end to another says that probably, in the end, 25,000 new tax collectors will have to be hired. For every tax collector there will have to be secretaries, researchers, filers, and so on, so we are not talking about 25,000, but maybe 50,00 to 70,000 or more bureaucrats, plus their offices, jet fares, and travel allowances. My goodness.

However, this is not a discussion of the goods and services tax. We are discussing something equally silly. Those people who are watching on television, whose incomes are $85,000 or more annually, are sitting on the edges of their chairs because this legislation is for them.

If you are an ordinary working person, retired person, or a person on an old age or disability pension, this is not for you. This is for an upper income earner in our country. If your income is in the $85,000 bracket, finally you have some good legislation coming your way, because who is going to benefit from this? When you look through the list, the main beneficiary are those folks who are providing for their retirement whose incomes are $86,111.

When I think of all the letters I get from people who are concerned about their pension incomes, I hardly get any letters from people whose incomes are $86,000 plus a year who are worrying about their pension. As a matter of fact, I do not know if I get any letters. I do get a lot of letters from people who are unable to live a dignified life on their existing pensions. I am serious. I get a lot of letters. I am sure all my colleagues in the House get

letters from people living in major metropolitan areas whose only income is Canada Pension and the OAS and who just cannot get by. They have to rely on other sources of income, relatives, friends, the food banks or thrift houses just to get by.

What does the government do? Do they bring in increases to the old age security? No, no. Do they bring in an enhanced CPP? No, no. Do they bring in more support for people on veterans' pensions and disability pensions? No, no. They want to help those people whose incomes are $85,000 a year so they can provide for their pensions years.

• (1740)

We have got everything really haywire here. On whose side is the government? This is not pension legislation, it is tax legislation. What this is going to do is enable people to avoid paying income tax now, set aside thousands of dollars and the idea is that they pay it later. Mr. Speaker, you and I know that that is not necessarily the case, because later means that you will be paying it at a much lower rate. Many people, particularly those people whom this legislation is aimed at, will move to a tax haven in their retirement years. They will move to one of the Caribbean Islands where they do not have to pay income tax. They take their money and they do not pay taxes on it there. The old argument that they would eventually pay tax does not hold water. For some, yes, but for many that is not the case.

What does this legislation do for the problems of portability of pensions? Absolutely nothing. What does it do for the 90 per cent of people on private pension plans with no indexation to combat increasing inflation? Absolutely nothing. What does it do to for people who have been waiting years and years for homemakers' pensions? Nothing. There is no mention of homemakers' pensions for those who stay home to care for an ailing family member or relative or a disabled person in their home. There is no concern for those people who need a homemaker's pension. However, for those people watching whose incomes are in excess of $86,000, this is for you. This is the government's pension scheme for you, because presumably those people are in desperate need.

This is going to cost the government millions of dollars. We do not know exactly how many hundreds of millions. What I have here in terms of some of the early analysis is that somewhere between $300 and $350 million will be lost next year. In other words, these people are not going to pay taxes. If they do not pay their fair share, we know who is going to be paying more than they should. It is the ordinary working people of the country. The small business people and the farmers will be paying more than they should. This is really a tax dodge in many respects for upper-income people. We are going to lose from the federal treasury about $300 or $350 million a year.

If we are going to wilfully lose that, rather than give it to those whose incomes are in excess of $86,000, it would enable the government to give a $30 a month increase to the 600,000 elderly single women who have no other source of income and who are now living below the poverty line. Is that not interesting? If the government would amend this legislation, we could assist 600,000 elderly single women who are living below the poverty line by giving them an extra $30 a month. Perhaps to many people that does not sound like a lot of money, but for a single elderly woman living below the poverty line an extra $30 a month would go a long way. The government states that we cannot afford that. We cannot afford to consider a homemaker's pension. We cannot afford to look at portability. We have to help these people in the upper income brackets. That is what the Conservative government does.

There is another creeping bit of hypocrisy in this. I remember the Minister of Finance standing up not long ago saying: "Listen, you know those wealthy people who presently get pensions, we should get some of that back. They do not need the pension." So the government introduced legislation that the Minister of Finance called clawback legislation. I thought that was an appropriate name. If you earn a certain income and receive the old age security, the government claws back either all of it or part of it. In other words, the government said that upper income people do not need any pension plans, they can deal with it on their own.

Then along comes Bill C-52 which states that people in the upper income brackets need help, they need to have tax incentives to provide for their retirement years. There seem to be some double standards and a certain amount of speaking out of one side of your mouth one day and the other side another day. There does not seem to be any consistency here, unless the government is

trying to fool people into thinking that they are actually doing something worth while.

I have been sitting here for a long time listening to the Conservative members explain one aspect of this legislation. Today, if your income is $20,000 and you want to set aside money to contribute to an RRSP, you can set aside $4,000, if you have the $4,000. However, in 1995 when this legislation kicks in at the most advantageous level, if your income is $20,000 you cannot contribute $4,000. You can contribute only $3,600. In other words, if you earn $20,000 this legislation is going to penalize you in terms of RRSP accessibility. It penalizes people at the low income level, while at the same time at the upper income level one can now contribute $7,500 and in 1995 will be able to contribute $15,500. The lower income earner is going to be penalized by this RSP legislation.

• (1745)

I have been listening carefully to hear from hon. members why the government is doing this and so far I have not heard any reasonable explanation. It puzzles me why we would be making it more difficult for low income people to set aside money via the RRSP programs.

There are whole other sets of reasons here that various researchers have indicated why this is bad legislation. My colleagues before me have explained that at some time, but perhaps I should mention one small thing. I notice my good friend from Toronto is here. He has been a good friend for many years. He gave a very elegant and eloquent speech against this particular initiative. As a matter of fact, it was one of the better speeches I have heard and I applaud him for those remarks.

However, I want to remind my hon. friend that I remember in 1984, and I am sure he does too, that there was a Liberal government at that time. Marc Lalonde was the Minister of Finance. He said that we have to help these upper income people save for their retirement years. We have to bring in changes to the RRSP.

In the Liberals' green paper on pension reform of 1982 they recommended what we are essentially doing here in Bill C–52. In 1984 the Liberal government introduced legislation that was essentially the same as what we have here today. Even my friends opposite on the Conservative benches went on for days and days against this Draconian measure that was helping the most privileged in the country at the expense of those at the low income level.

At that time the Liberals thought this was great legislation. We have now flipped across the way and the roles are reversed. We now have my hon. friend articulating very well all of the down sides of this legislation and wondering why on earth why the government would do this, and those members now on the government espousing the advantages and the need to help those in the upper income brackets with their pension savings.

I mention as a point of interest more than anything how people can change their views on things whether they are on the opposition benches or the government benches.

Let me summarize by suggesting that this legislation is not going to help many people at all. As a matter of fact, only a certain portion of Canadians take advantage of RRSPs. Today, 20 per cent of Canadians use the RRSP in terms of a method of postponing paying taxes and/or providing money for retirement years later. Naturally, this is largely a result of the tax planning of people in the middle or upper income brackets.

When one looks at the number of people in the very low income brackets who file for RRSPs, less than 1 per cent actually file RRSPs, virtually no one. When one gets up into $50,000 and plus incomes, the number of tax filers contributing to RRSPs is nearly 60 per cent. In other words, the overwhelming majority of people in those brackets find that to be a useful way to defer taxes to some time later, if at all.

Let us recognize what we are doing. The government is asking us to pass legislation that will benefit those in the upper income brackets. It will cost the federal government about $350 million a year in lost taxes and this is all happening on the eve of the budget. People are fanning out across the country to try to put a certain spin on the public mindset about what is going to happen. They are saying that the deficit is too large and we must curtail a whole variety of social programs.

One of the toughest days I have had lately was in my hometown of Kamloops. The Y in that community asked the federal government for support to enlarge and expand the women's shelter in our community. There was a long list of people requiring shelter because of various forms of abuse. I do not want to go into the details, but it is a very tragic situation. The government said it was sorry, but it does not have any money, those hundreds of women and those hundreds of families each

year will just have to be on their own and find some way to deal with their very serious abuse problems.

• (1750)

All that was sad, Mr. Speaker, but I find it rather odd if you cannot have a few thousand dollars to help a community group establish a women's shelter in the community of Kamloops, and the same argument could be made in many communities across Canada, and in the same breath say that we are prepared to forgo $350 million in income because of the changes to the RSP program to help those people in the upper income brackets. I just find it rather disgusting. If people knew this and understood what is going on, I do not think they would feel good about this at all. This is the kind of thing that makes the people of Canada curious about what this government is doing.

On the one hand it seems to be trying to curtail expenditures and on the other hand providing handouts and financial bonanzas to a very select, privileged few in our society. I guess, without being simplistic, Mr. Speaker, that is what one would expect from the Conservative government. That seems to be the basic theme that one hears whenever there is a Conservative government in office.

In conclusion, there is no question that we have been taxed too much. This last year has seen the thirty-second tax increase initiated by this federal government. In other words, in five short years this government has increased taxes 32 different times with the GST.

When people write to me they say that we cannot take it any longer, we pay so much tax. The government slaps another one on, and 32 tax increases in five years is too much. I just want to make the point that there have been 32 tax increases in the mandate of this government to date. I cannot imagine what the mandate is going to result in if we have another two or three years of this government left. In conclusion, let me say that I am against this RSP legislation.

Mr. Kristiansen: Mr. Speaker, just a quick comment and a question for my colleague from Kamloops. He is probably aware that in response to our allegation that this will cost some $300 or $350 million a year in terms of loss to the public treasury, which could be used in alternate programs, the government has suggested that that is not really accurate. That has not been suggested today because government members are noticeably absent from this debate this afternoon, as is the Official Opposition, but they have said on other occasions that this will be mitigated in part at least by the fact that it will plug up some of the loopholes in the system.

When I heard that I could not help but think of an old Donald Duck or Goofy cartoon that I read when I was just a little tyke about three feet tall. Donald Duck or Goofy was out in a boat on the lake and it had a leak in the bow. He thought he could stop the boat from sinking by chopping a big hole in the stern and letting the water that was coming in in the bow out the aft end, but it did not work. A government that says it is as concerned about deficits as this one is going to find out that chopping another hole in the other end of the boat does not work either.

My colleague may also be aware that Frank Speed, vice-president of the Canadian Life and Health Insurance Association states: "The new tax rules with their pension adjustments and pension adjustment reversals seem likely to be another administrative nightmare that will squeeze more pension plans out of the system."

• (1755)

Also, in May 1988 the joint committee on taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants called the amendments: "Perhaps the most complicated tax rules ever devised."

It seems obvious to me at least that if you are creating that much more gobbledegook and complications around the tax system, with any loopholes you are plugging on the one hand you are probably kicking more holes in the system on the other. My recollection is, and perhaps my colleague from Kamloops will clarify it for me, that this is the same party that said in 1984 and in years before and since that one of their major crusades was to simplify the tax system.

The question I want to ask my colleague is in light of both of these, does he think that the members opposite simply do not care about tax simplification? Were they not telling the truth at that time, do they not care about debt reduction or are they just misled?

Mr. Riis: There are a lot of questions in there, Mr. Speaker, from my hon. friend for Kootenay West—Revelstoke. Let me begin with his reference to the fact that there were no Conservative members speaking on this RRSP legislation. I am dismayed and a bit disappointed in that because I would have liked to have heard their explanations, particularly because of the fact that those in the $20,000 bracket will actually lose as a result of this legislation in terms of the amount of money they can set aside for their pension years.

I am not surprised, but I do hope when we pick up this debate first thing in the morning that we will hear a number of Conservative members. If nothing else, I can ask them some questions. It is hard to get at the people over there when nobody speaks.

With reference to the complicated tax rules, I tried to make the point that with 4,000 new tax collectors, and perhaps that will be up to 6,000 or 7,000 with all of the other people, it is going to be a red tape nightmare that will descend on this country and on an already over-complicated tax system. This is tax filing time. I sat down to begin the process the other day and got totally depressed. I do not know if anybody has started their tax filing yet. I try to do it without an accountant and I blow it every year. I end up going to the accountants. I just cannot do it myself.

Going back to the question, is the Conservative government serious about deficit reduction? My hon. friend, who is the chairman of the finance committee, was here a moment ago and I see one of his colleagues from Edmonton is with him. Perhaps we can set aside some time in the finance committee to go through all the corporate tax expenditures and evaluate those expenditures on a profit and loss basis to see if we get the financial bang for those bucks that we lose. In those cases where we do, we can even enhance some of those tax exemptions. On the other hand, if we cannot demonstrate clearly that we are not getting good return for that tax loss, then we should shelve the whole thing. We have got to go through that step by step because if we do that, I think people in the country will have a lot more faith in some of the cuts that are being touted by the government.

Until we go through that process, and all the people of Canada know that there are literally billions of dollars, not millions but billions of dollars lost every year to the federal treasury because of corporate tax exemptions and various other exemptions, and I am just talking about the corporate taxes because that is where the big losses are, there will never be support for any tax reform in this country because they know who is going to lose and who is going to gain.

The Acting Speaker (Mr. Kempling): Order please. It being six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 24 (1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, February 15, 1990

The House met at 11 a.m.

Prayers

[*English*]

LIBRARY OF PARLIAMENT

TABLING OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the table the report of the Parliamentary Librarian for the fiscal year ended March 31, 1989.

ROUTINE PROCEEDINGS

[*English*]

STATUTES OF CANADA

TABLING OF PROPOSALS AND REFERENCE TO COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a copy of the government's proposals to correct certain anomalies, inconsistencies, certain archaisms and errors, and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada.

There have been consultations among the parties and I think you will find, Mr. Speaker, that there is the traditional unanimous consent to refer this draft bill to the Standing Committee on Justice and the Solicitor General.

Hon. Bob Kaplan (York Centre): Mr. Speaker, in giving the unanimous consent of the opposition to this matter, I would like to make one brief point, if I may.

A number of the amendments contained within the bill are amendments which have come to the House from the Joint Standing Committee on Scrutiny of Regulations. I was a former chairman of that committee, and it is my hope that the government will consider enlarging the criteria that are used in agglomerating amendments inside that bill.

I consider it a very useful device for achieving necessary changes in the laws of Canada of a non-controversial nature and also reflecting legal advice and second thoughts about certain clauses of the legislation. I have always regretted that the miscellaneous amending process is not used more openly and more generously than it is.

I am offering my consent to seeing this bill referred. I think it is a very useful decision. I am looking forward to the work of the committee.

I hope that the government will review, and I regret not seeing the minister nodding, but I hope he will at least think about a process to be developed whereby more advice can be taken more directly from this all-party committee, which is usually unanimous and which makes recommendations for amendments which sometimes take years instead of months to find their way into miscellaneous amending packages.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise just briefly to indicate that certainly we agree with this process. This is the traditional method of proceeding with these amendments.

I wish to urge the government to continue a process which it started in this miscellaneous statutes amendments process, that is, to ensure that all statutes in Canada use non-sexist language. This is an area in which the government has been moving, but there are certainly far too many statutes which reflect sexist language. Hopefully, this process of statutory amendment is one of the means that can be used to make those important changes.

Mr. Speaker: The House has heard the proposition of the Minister of Justice. There seems to be consent. Is there consent?

Some hon. members: Agreed.

Motion agreed to.

Routine Proceedings

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government responses to 43 petitions.

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

• (1110)

Mr. Speaker: Statements by Ministers.

* * *

THE FLAG

REQUEST FOR STATEMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, under Statements by Ministers, I want to ask the government House Leader a question.

This is the twenty-fifth anniversary of our flag, a flag of which we are all proud, a flag which represents the compassionate tolerance, political, social, religious and economic freedoms that we have come to enjoy in our country.

I would assume that someone from the government would want to speak on this today, recognizing that during the flag debate itself there were 180 speeches against the flag given by Conservative members over a seven-month period. After 180 speeches, most of which were 40 minutes in duration, the government of the day brought in closure to end what was obviously months and months of debate against the flag.

I assume with that interest in the flag, some minister would want to say something about that final vote, particularly in light of the fact that it took seven months of debate before we got to that point.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would tell my hon. friend that he is probably well aware of the fact that the Prime Minister and the Secretary of State have arranged a celebration on the front lawn which will enable all Canadians to participate in the twenty-fifth anniversary of the flag.

I note my hon. friend's comments in the spirit of national unity in respect of the flag. I tell him that we did want to do that, but we did not want to do it before the hon. member for Chambly had a chance to give his comments.

Hon. Bob Kaplan (York Centre): Mr. Speaker, on the same point, I have had the pleasure of examining the exhibition in the Hall of Honour dedicated to the celebration of this important anniversary of our flag. I feel, as does my friend from the New Democratic Party, that we are witnessing something of a rewrite of history when we consider the enthusiasm with which the entire House greeted the flag 25 years ago in a way which does not correspond with today's reality.

However, no one is more proud of the flag today than the Conservative party and its members, and no one is more proud than the Liberals and the New Democrats. I think those of us who track the Conservative party should recognize that they eventually bring themselves on to the right side of history.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a recommendation to the House dealing with this issue of the twenty-fifth anniversary of our flag.

I think it would be appropriate at three o'clock that we revert back to Statements by Ministers for a statement in the House. We would agree to give unanimous consent to do that if the government feels that this is appropriate today.

Mr. Speaker: It is not the place of the Speaker very often to express a view, except to say this. There is going to be a very significant celebration of the twenty-fifth anniversary of the flag of our country which is going to commence in just a few minutes.

Hon. members will know that I have been invited to take part in that event. I will be speaking along with others. I will have to leave the Chamber, I am sure with your agreement and your encouragement, to take part in that celebration.

Second, those of us who have memories will also understand the necessity, in the interest of that unity which the flag symbolizes, to bear gently in remarks with respect to the long and tumultuous debates that took place. I am sure that all hon. members would want me to keep in mind the sensitivities, the history and also the hopes that were brought about by the acceptance of the distinctive Canadian flag, which I think has been supported over the decades now by the vast majority of

Canadians. That is what I am going to be saying in a few minutes on behalf of all hon. members.

A suggestion has been put forward by the hon. member for Ottawa—Vanier.

[*Translation*]

—to revert to Statements by Ministers at three o'clock this afternoon. I would also like to give other members a chance to speak.

[*English*]

Mr. Lewis: Mr. Speaker, I will take the matter under consideration and give it every thought. However, I think it would be more appropriate if we did not have too much of this spur of the moment comment on the floor of the House.

Today we have a very important debate that we want to go forward with on the motion of the Prime Minister. We think it will be a good debate.

I certainly will take the request under advisement and get back to the House.

Mr. Riis: Mr. Speaker, I like the idea my hon. friend from Ottawa—Vanier has put forward.

When I think through the rest of the day and consider the very important motion and debate which will occur, it seems to me to make perfect sense that at three o'clock we have an opportunity to make comments about the unity that has been created in our country as a result of our flag and all that it symbolizes.

I would say on behalf of the New Democratic Party that we would certainly give our consent to the notion that we might have a minister making a statement and equal responses by representatives of each of the opposition parties.

[*Translation*]

Mr. Speaker: I listened carefully to what was being said by hon. members, but I think the comment made by the Minister of Justice is well taken.

[*English*]

I am going to leave it to hon. members to discuss this among themselves. If members have a direction for the Speaker at three o'clock, of course I will accept that direction, keeping in mind the rules that there must be unanimous consent.

Routine Proceedings

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

BROADCAST OF MEETING OF COMMITTEE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, this may be the most appropriate time to inform the House that a motion was passed earlier this week *vis-à-vis* televising the Standing Committee on External Affairs and International Trade.

Some difficulties arose as to providing appropriate television coverage. I asked the New Democratic Party and the Liberal party to attend with me at the committee prior to the meeting starting.

We discussed the matter with the media and the chairman of the committee. The three parties agreed that the proceedings of the external affairs committee today which will hear from Mr. Shevardnadze of the Union of Soviet Socialist Republics is so important that it get proper television coverage.

We discussed it with the media. There was an agreement among all three parties that what are called conference rules would be used rather than the perhaps more restrictive rules of the House for televising committees. It was agreed that for this particular event that would be done.

Mr. Speaker: I will hear the hon. members in just a moment on this matter.

In view of the fact that your Speaker has been asked to preside over what I think is a significant ceremony in just a few minutes, I would ask your indulgence to excuse me for the ceremony with respect to the twenty-fifth anniversary of our flag. I will ask my colleague to take the Chair.

• (1120)

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a very brief comment to make on the Standing Committee on External Affairs and International Trade being authorized by all parties to televise its proceedings today.

I just want to ask this. Perhaps the House of Commons facilities for televising our proceedings could be equipped in the future to televise committees rather than depend upon *ad hoc* arrangements on the day that it happens. I think it would be appropriate that we look into this to make sure that we do have the equipment, the necessary logistics and the technical requirements to

cope with the increasing need to televise committee proceedings.

This morning I have to agree that, indeed, if we had proceeded as agreed it would have been very restrictive. I am one who believes that we should expand and I would like the government to consider some of the possibilities available to our staff here on the Hill to broadcast these proceedings.

I am just making the point that I do not want this morning to be a precedent, that is that every time we decide to broadcast a committee the House leader and a representative of every party have to go to make sure that everything is in order. I want to make sure that we broadcast in an appropriate manner and in the usual and correct manner.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wish to confirm the decision by my caucus to allow for the use of conference rules *vis-à-vis* the televising of the very important occasion in Room 200 of West Block today.

In response to the hon. member for Ottawa—Vanier, I wish to point out that there is a committee report which has yet to be considered by this House which concerns this very point. I refer to the very important report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business *vis-à-vis* televising and the rules of televising not just this House but the hearings of committees.

I think it would be appropriate in the very near future for the House to be seized of this report in order to give consideration to it. I would encourage the approval of it.

In the meantime, the decision that we took today and the fact that we are ensuring that there is a record of it is not to be seen as a precedent for future coverage on future occasions.

The Acting Speaker (Mr. Paproski): I would like to add that it would be a good topic for the internal economy committee to discuss further.

PETITIONS

VIA RAIL

Mr. Ross Harvey (Edmonton East): Mr. Speaker, to return to a subject not yet entirely forgotten, at least not by the people of Canada, I would like to present three petitions featuring the signatures of a total of 332 people.

These people are calling on the government to maintain VIA Rail, Canada's present national network—I should point out that when these petitions were signed the national network was somewhat larger than it is now—to upgrade VIA Rail with new equipment and to give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

A good 200 of these signatures were collected from passengers on one of the supercontinental trains last fall.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my privilege to present petitions against the goods and services tax primarily from students from Clearwater High School, Barrier High School, Logan Lake High School, Kamloops High School, North Kamloops High School, Westside High School and Chase High School who point out the unfair nature of the goods and services tax as is presented. They point out that there will be a tax on reading material for the first time in our history, as well as taxes on a variety of other areas of interest to students, namely, the renting of videos, buying records, concert tickets and the like.

The petitioners ask that the government reconsider its decision to proceed and that it go back to the drawing-board and attempt real fair tax reform as opposed to proceeding with the 7 per cent goods and services tax.

[*Translation*]

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I wish to table a petition that rejects the recommendations of the Task Force on Tax Benefits for Northern and Isolated Areas.

Your petitioners, who represent the isolated community of Lebel-sur-Quévillon in the Abitibi region, believe

that although isolation is mainly a psychological factor, it can nevertheless be expressed in dollars and cents. No library, no movie theatre, no exhibition hall, no swimming pool, no art gallery, no velodrome, no subway, and so forth.

Mr. Speaker, the residents of Lebel-sur-Quévillon believe that the task force failed to allow for the realities of life in the North and the near North in Abitibi.

[*English*]

GOODS AND SERVICES TAX

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour today to present a petition pursuant to Standing Order 36 from the citizens of Red Rock, Ontario, a small community in my riding, about 50 miles east of the city of Thunder Bay. They to a person oppose this government's imposition of a goods and services tax upon this community. They pray that this government reconsider its position and do away with the goods and services tax.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of my constituency of Burnaby—Kingsway expressing their concern about the proposed goods and services tax.

They point out that it is an unfair form of taxation because of its lack of regard for a taxpayer's ability to pay. They call upon the government to bring in tax reform that would ensure that those who are in a position to pay, including the corporate sector and upper-income earners, pay their fair share. They point out that the government is now trying to tax reading, haircuts, diapers, coffins and home heating fuels.

Therefore they strongly urge the government to cease the current proposal for a goods and services tax which would in fact shift the tax burden on to ordinary Canadians through a regressive consumption tax instead of through real tax reform.

I might note that this particular petition is signed by hundreds of bowlers from my constituency who have expressed serious concern about the impact of the goods and services tax on bowling in Canada.

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I rise pursuant to the provisions of Standing Order 36 to present two petitions signed by some 200 residents of Ontario, particularly the communities of St. Thomas and Mississauga, Ontario, which I am sure will cheer the heart of the chairman of the finance committee.

The petitioners point out that the proposed goods and services tax is an unfair form of taxation because of its lack of regard for a taxpayer's ability to pay and urge that the House of Commons reject the current proposal for a goods and services tax.

Mr. Rex Crawford (Kent): Mr. Speaker, once again I rise in the House to present a petition under Standing Order 36 on behalf of the people of the city of Windsor who are appalled by the arrogance of this government and humbly pray and call upon Parliament to reject the proposed goods and services tax.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I rise to present a petition signed by many Canadians who are appalled at the government's proposal to introduce a goods and services tax and who call upon Parliament to reject this proposed goods and services tax which is unfair and discriminatory.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I rise today to present a petition on behalf of people in Windsor and London, Ontario who are concerned about the impact of the goods and services tax which will create a burden on themselves and the people in their communities. In particular, Mr. Speaker, I am sure as a former athlete you will realize the impact this measure will have on minor sports, minor hockey, minor football, minor soccer and so on. They reject this tax on that basis.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by a large number of constituents from the great riding of Windsor West so ably represented in this House by my very distinguished colleague.

• (1130)

The petitioners are very upset with the GST, the grief and suffering tax of the Government of Canada. They are asking for the intervention of the House of Commons to ensure that this tax does not proceed.

Given that I have now tabled a large number of petitions, I hope I have convinced the government to withdraw the tax immediately.

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, I have a petition to present on behalf of Canadians who wish to express their opposition to the goods and services tax that the federal government wants to impose on Canadians.

VIA RAIL

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I would like to take this opportunity to present a petition on behalf of constituents of Burnaby—Kingsway as well as from a number of communities in British Columbia. The petitioners point out that the railway passenger service as carried on by VIA Rail is essential for many—

The Acting Speaker (Mr. Paproski): I would request that the next time the hon. member presents petitions, he present both petitions at the same time.

I regret the hon. member's petition has been interrupted. He will have to present it tomorrow or the next time petitions are called.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicted by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, Question No. 162 will be answered today.

[*Text*]

PRIME MINISTER'S TRIPS TO MALAYSIA AND COSTA RICA

Question No. 162—**Mr. Boudria:**

1. Did the Prime Minister visit Malaysia and Costa Rica in October 1989 and, if so, (a) what was the total cost of the trip (b) total cost for travel (c) what type of airplane was utilized (d) how many people accompanied the Prime Minister (e) what were their names and specific functions?

2. Were any automobiles flown to Costa Rica and, if so, (a) how many (b) what were the makes and models (c) were these automobiles utilized (d) how much gasoline was utilized by each automobile (e) what was the approximate number of kilometres travelled by each automobile?

3. What was the total number of pieces of luggage brought on the trip by the Prime Minister and each accompanying person?

Mr. Albert Cooper (Parliamentary Secretary to Leader of the Government in the House of Commons): I am informed by the Prime Minister's and the Privy Council Offices, the Departments of External Affairs, National Defence and the Solicitor General as follows:

1. Yes, the Prime Minister travelled to Kuala Lampur, Malaysia to attend the Commonwealth Heads of Government Meeting and to San Jose, Costa Rica for the Meeting of Hemispheric Leaders.

a) b) and c)	Boeing 707 and Hercules operating costs (based on per flying hours less fares recovered from the media accompanying the delegation)	$191,850
	Crew expenses and ground handling	$106,000
	Security expenses (Provided by RCMP Members)	$110,000
	Travel expenses of accompanying officials (see attached)	$136,415*

*As all expense travel claims have not yet been submitted, a firm cost figure cannot be provided at this time. However, based on the claims filed (80%), it is estimated that the total travel expenses of accompanying officials will be approximately that amount.

These expenses include lodging, meals and in some cases airfare by commercial carriers.

d) and e) See attached.

2. Yes.

a) Two.

b) Oldsomobile '98.

c) Yes.

d) 135 litres.

e) 300 kilometres.

3. The number of pieces of luggage is unknown. According to practice, the luggage brought on the trip was manifested by weight, not the number of pieces.

COMMONWEALTH HEADS OF GOVERNMENT MEETING KUALA LUMPUR, MALAYSIA OCTOBER 18 TO 24, 1989

The Right Honourable Brian Mulroney
Mrs. Mila Mulroney

ACCOMPANYING OFFICIALS

PMO/Stanley H. Hartt, Chief of Staff
PMO/Paul Heinbecker, Special Advisor
PMO/Luc Lavoie, Director of Tour and Special Events
PMO/Gilbert Lavoie, Press Secretary
PMO/Richard Morgan, Excutive Assistant

PMO/Bonnie Brownlee, Executive Assistant to Mrs. Mulroney
PMO/Robert Chant, Tour Manager
PMO/Sunni Locatelli, Deputy Press Secretary
PMO/Lisette Boucher, Executive Secretary
PMO/Bill McCarthy, Chief Photographer
PMO/Jacques Labrie, Coordinator, Media Advance
PMO/Hélène Chalifoux, Advance for Mrs. Mulroney
PMO/Robby McRobb, Special Assistant
PMO/Lorraine Matte, Tour Secretary
PMO/Nicole Leboeuf, Assistant, Translation
PMO/Linda Beauchamp, Media Secretary
PMO/Gilbert Dupuis, Media Advance
PCO/Anne-Marie Doyle, Assistant Secretary to the Cabinet -Foreign and Defence Policy
PCO/Mario Faubert, Technician
PCO/Trish Wilson, Technician
PCO/Lonnie Robillard, Technician
PCO/Ted Prusakowski, Technician
PCO/Guylain Legros, Technician
DEA/The Right Honourable Joe Clark, Secretary of State for External Affairs
DEA/Raymond Chrétien, Associate Under-Secretary of State for External Affairs
DEA/John Schioler, Chairman South Africa Task Force
DEA/Jean McCloskey, Assistant Deputy Minister, Asia and Pacific
DEA/Adrian de Hoog, Director, Energy and Environment Division
DEA/Ross Francis, Director, Commonwealth Division
DEA/Jim Judd, Senior Departmental Assistant
DEA/Abbie Dann, Spokesperson for the Secretary of State for External Affairs
DEA/Roseline MacAngus, Private Secretary to the Secretary of State for External Affairs

MEETING OF HEMISPHERIC LEADERS SAN JOSE, COSTA RICA

The Right Honourable Brian Mulroney
Mrs. Mila Mulroney

ACCOMPANYING OFFICIALS

PMO/Stanley H. Hartt, Chief of Staff
PMO/Luc Lavoie, Director of Tour and Special Events
PMO/Gilbert Lavoie, Press Secretary
PMO/Richard Morgan, Excutive Assistant
PMO/Jacques Labrie, Coordinator, Media Advance
PMO/Jean Maurice Duplessis, Advance
PMO/Sunni Locatelli, Deputy Press Secretary
PMO/Lisette Boucher, Executive Secretary
PMO/Lorraine Matte, Tour Secretary
PMO/Nicole Leboeuf, Assistant, Translation
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DEA/The Right Honourable Joe Clark, Secretary of State for External Affairs
DEA/Raymond Chrétien, Associate Under-Secretary of State for External Affairs
DEA/Roseline MacAngus, Private Secretary to the Secretary of State fort External Affairs
DEA/Jim Judd, Senior Departmental Assistant
DEA/Louise Fréchette, Assistant Deputy Minister, Latin America and Caribbean Branch

[*English*]

I want to draw your attention to Question No. 225 standing in the name of the Hon. Member for Kingston and the Islands, because I would like to give a verbal answer to that question.

The question is:

> During the period since January 1, 1989, has the government or any agency thereof retained the services of Mr. Lee Milteer or of Lee Milteer Inc. and, if so (a) at what rate—

The answer is I do not know.

> —(b) for what purpose—

The answer is I do not know.

> —(c) what departments or agencies retained the services?

The answer is I do not know.

I believe this particular question to be a fishing expedition. The hon. member tabled it earlier with the name of Mr. Peter Milteer. When we did investigate a certain amount, we found out that no one knew anything about this individual. The hon. member then changed the name to Mr. Lee Milteer.

The bottom line is that we have to go through some 230 boards, agencies and Crown corporations to try to get this information. If the hon. member would like to be more specific, I can give him more specific answers, but I cannot go on a fishing expedition like this and be expected to complete that plus all the other questions on

the *Order Paper* within the 45-day time limit that has been requested.

Mr. Milliken: Mr. Speaker, the Parliamentary Secretary might want to know that the question was put because of information I received that this individual or this corporation had been retained.

The fact that it stated Mr. Peter Milteer on the first occasion it was printed on the *Order Paper* was an error made by someone in the Journals Branch. I submitted the question with Lee in the name and I think the person who transcribed it for the *Order Paper* read my signature underneath and mixed up the Lee and the Peter and put it in incorrectly.

It was not my fault. I had nothing to do with it, and the Table is well aware of that fact. As soon as I saw the error on the day it was printed, I went to the Table and indicated it was an error. It was not the question I had submitted. I do not want the hon. member to suggest that I changed it in an effort to go on a fishing expedition. My question was very specific. I am sorry he is unable to answer it. I will endeavour to get more information and file another question on the *Order Paper*.

Mr. Cooper: Mr. Speaker, I accept that explanation. I certainly was not aware of it. I want to apologize to the hon. member for the implication in my statement. However, my answers do stand for the same reasons as I described. To go after 230 departments and agencies at this point, I think would be a little much.

The Acting Speaker (Mr. Paproski): The Hon. Member for Glengarry—Prescott—Russell on a point of order.

Mr. Boudria: Mr. Speaker, I have been complaining as of late because of the fact that two questions on the *Order Paper* standing in my name have not been answered when both of them are well beyond the 45-day period.

I note that the Parliamentary Secretary, I am sure through his very special efforts, did succeed in getting the answer to one of the questions. However, my complaint is still there.

The other question which is dated December 6, as you will obviously recognize since today is February 15, is well beyond the 45 day deadline set by the rules of this House under our Standing Orders. Considering the fact that the question was tabled with the Clerk of the House on December 6, perhaps the Parliamentary Secretary could give us some indication as when the government will attempt to follow the Standing Orders of this House in relation to Question No. 197.

Mr. Cooper: Mr. Speaker, I am happy to respond to the hon. member's concerns, and that is precisely why I have answered Question No. 225 in the manner that I have.

In Question No. 162, which I answered a few moments ago, we were asking officials in several government departments to spend several hours of their time and, therefore, our tax money, to collect and provide critically important information, such as the number of pieces of luggage of each person on this trip, or how much gas was used by the Prime Minister's car. Getting that kind of information from a delegation that involves several people, obviously takes time.

If members insist on asking those kinds of questions and putting them on 45 day time limits, I am going to have difficulty answering them and I will have to revert to the type of answer I have just given to Question No. 225. However, I can assure the Speaker that I will continue to do my best.

The Acting Speaker (Mr. Paproski): On the same point of order, the hon. member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, I do not want to start an argument with the hon. member. However, in the case of Question No. 197, which has not yet been answered, I am asking for the names of the notaries and legal agents acting on behalf of the Federal Business Development Bank, the date of their appointments, and how much money they have received from the federal government.

Except for the current year, that information should be available by the government just reviewing the reports of previous years that it tables in the House. The only portion that has to be researched is the present year. The rest should already be available to the government without doing any research.

I will agree that the questions be allowed to stand. But the House should understand that these are rules, they are not merely suggestions for the government to observe if and when it feels like it.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

QUESTION OF PRIVILEGE

PROCEEDINGS IN COMMITTEE

The Acting Speaker (Mr. Paproski): I have received a request for a point of privilege from the hon. member for Esquimalt—Juan de Fuca. Does it arise out of what has happened here this morning?

Mr. David Barrett (Esquimalt—Juan de Fuca): No, Mr. Speaker, I need your guidance on a question of privilege relating to a threat to a member. I know that matters of committee cannot come to this House, but a member was threatened with bodily removal from the committee this morning, without access to being able to put a motion to the committee, or access to deal with it in committee. I find it necessary to get your guidance to deal with this matter because there is no recourse within the committee.

The Acting Speaker (Mr. Paproski): I think the hon. member should put in a written order of privilege so that he can be heard at 3 o'clock.

Mr. Barrett: Mr. Speaker, thank you for you guidance. I wanted to raise it at the earliest possible opportunity.

* * *

POINT OF ORDER

THE BUDGET

The Acting Speaker (Mr. Paproski): The hon. member for Kamloops on a point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a short point of order I would like to make. I have circulated some information to my friends in the government party as well as to the Official Opposition and the Chair, which I would like to comment on at this point.

I rise to ask you to review the rules governing the presentation of the budget and consider whether or not those rules provide for a 10-minute question and comment period to follow the delivery of the budget in the House by the Minister of Finance.

I would like to bring to the attention of the House, a few brief rulings done on previous occasions regarding the questions and comments, in hopes that you would find it is the clear intention of the House that such a question and comment period be held when the relevant Standing Orders were adopted.

Standing Order 84(7), governs time limits and comments on speeches during the budget debate. It states:

> No Member, except the Minister of Finance, the Member speaking first on behalf of the Opposition, the Prime Minister and the Leader of the Opposition, shall speak for more than twenty minutes at a time in the Budget debate. Following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

The wording of this Standing Order is virtually identical to that of Standing Order 50(2), which governs another special debate in the House, the Address in Response to the Speech from the Throne.

• (1140)

In considering then whether there can be questions and comments following the Budget speech, it is quite pertinent to look to rulings regarding the nearly identically worded provisions for the Address and Reply.

For example, on December 9, 1983, the then Leader of the Opposition, who is currently the Prime Minister, replied to the Throne Speech. Following his comments, my colleague, who is currently the member for Transcona, rose and attempted to direct a question. The then government House leader interjected and asked the Speaker whether a question period was in order.

As reported at page 45 of *Hansard* for December 9, 1983, we find:

> As the Leader of the Opposition and the Right Hon. Prime Minister may speak for an unlimited time I should like you to make your position clear on this issue, that we may know where we stand in the future.

The Acting Speaker (Mr. Paproski): I regret to interrupt the hon. member in his presentation, but I think that his presentation should come up when the budget debate is in progress. He should either discuss it with the House leaders before we get into the Chamber, or make the presentation to the Speaker. However, I do not think that this is the time for him to make the presentation. Therefore, we should get into Orders of the Day.

Another point of order. The hon. member for Kamloops.

Mr. Riis: Just to seek clarification, Mr. Speaker. I certainly accept your ruling on this. It is something that I do not think we can resolve by discussions between the House leaders because it really requires a decision of the Chair.

Are you suggesting, Mr. Speaker, that I raise this point of order just prior to the Minister of Finance presenting his budget, or just following it? I seek some guidance.

The Acting Speaker (Mr. Paproski): I will take it under advisement and I will get back to the hon. member, but I think that what he wants to change is Standing Order 84(7), which relates to the debate and the 10-minute questions and comments after the three speakers.

However, we will discuss it later. We will take it under advisement and we will get back to the hon. member.

The Hon. Member for Kingston and the Islands.

Mr. Milliken: Mr. Speaker, I just want to make it clear that before any ruling is handed down on this subject, some of us might want to intervene on the submissions made by the hon. member for Kamloops.

The Acting Speaker (Mr. Paproski): No ruling will be made until we have submissions from everybody on all sides of the House.

Orders of the Day.

GOVERNMENT ORDERS

[*English*]

FEDERAL COURT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-38, an Act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

SPEAKER'S RULING—MOTIONS IN AMENDMENT

The Acting Speaker (Mr. Paproski): Before we go into debate, there are three motions on the Notice Paper for the report stage of Bill C-38, an Act to amend the Federal Court Act, the Crown Liability Act, the Supreme Court Act and other Acts in consequence thereof.

Motions Nos. 1 and 2 standing in the name of the hon. member for Kingston and the Islands are in order. They will be debated together but voted upon as follows:

An affirmative vote on Motion No. 1 obviates the need for a vote on Motion No. 2. A negative vote on Motion No. 1 necessitates a vote on Motion No. 2. Motion No. 3 is admissible and will be debated and voted upon separately.

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved:

Motion No. 1

That Bill C-38 be amended in Clause 23

(a) by striking out line 22 at page 16 and substituting the following therefor:

"within thirty days after the claim arose,"

(b) by striking out lines 33 to 35 at page 16 and substituting the following therefor:

"opinion that to bar the proceed-"

Motion No. 2

That Bill C-38 be amended by deleting Clause 23.

He said, Mr. Speaker, perhaps I could start out by saying that I was a member of the legislative committee that studied this bill. I want to say that I thought the committee was conducted by the government members on it, as well as the chairman, in a way that was very fair. In moving this amendment, I am not seeking to do so in a particularly partisan way because I recognize the government agreed to many worth while amendments to this bill. I felt that all the members of the committee co-operated very well to do the best they could to make this bill a better bill than it was when it left this House at second reading, and I think there have been some significant improvements.

However, one of the improvements that did not get made was the one to Section 23 of the bill which is a relatively minor but still an important item in the bill. Perhaps it would be clearer for Your Honour if I read Section 23 which amends Section 12 of the Crown Liability Act. The section states:

"12. (1) No proceedings lie against the Crown by virtue of Paragraph 3(b) unless, within seven days after the claim arose, notice in writing of the claim and of the injury complained of has been served on a responsible official of the department or agency administering the

property or the employee of the department or agency who is in control or charge of the property.

My objection to the current wording is the requirement that seven days' notice of claim be given. Part of the purpose of the act was to treat the Crown more as an ordinary person. No other individual or corporation in Canada, and I am using the word "person" here in its legal sense, is subject to this kind of protection.

For example, if a person is driving along a road owned by the federal Crown in the Northwest Territories and his car falls into a large hole caused by excavation by the federal Crown employees maintaining the road, that person would have to give notice within seven days after the claim arose of the injury complained of, or he might find that his claim is out of time, in other words, that there was a bar to his proceeding on that claim.

In my view, no other "person", no other corporation has such protection. If CPR happened to own a road somewhere in Canada and somebody drove into a hole on its road, no seven day notice requirement is there. The lawsuit could commence in the usual course of things within six years after the claim arose. Therefore, there is a a six-year limitation period that applies to CP, that applies to me, any member in this House, or any individual in Canada where the Crown has this special deal of seven days.

The parliamentary secretary, who I presume will be answering for the Minister of Justice in this matter, will say: "Well yes, but you must read subsection 2," which states:

(2) Failure to give, or insufficiency of, the notice required by subsection (1) is not a bar to the proceedings if the court in which the proceedings are taken is of the opinion that the Crown in its defence was not prejudiced by the want or insufficiency of the notice and that to bar the proceedings would be an injustice, notwithstanding that reasonable excuse for the want or insufficiency of the notice is not established.

There are two proposed amendments, as Your Honour has indicated.

The first one is to change the seven day period to thirty, which is not much of a concession but it is some. I invite the parliamentary secretary to consider that.

The second amendment would be to take out the provision in subsection (2) that would require the plaintiff in an action to show that the Crown was not prejudiced by the want or insufficiency of the notice. In other words, the question of prejudice to the Crown is not the issue. The question really is would it be an injustice to prevent the plaintiff from proceeding with his claim, and only that issue, not the question of whether the Crown was prejudiced by the notice. Because if the Crown states that it has nobody around who can say whether or not there was a hole in that road on that day, the Crown is going to say it is prejudiced because its witness is dead, its people have left the area, or there is no one who worked in that area left in its employ and it cannot find them.

It seems to me that that ought not to be the test, because that defence is not available to anyone else. Although in the case of individuals, it may be possible for an individual to remember a hole in his driveway on a particular day, it will not be for a large corporation and why should the Crown be placed in a better position than a large corporation?

I have put that amendment as one of my amendments. The second amendment is to get rid of the clause entirely. I invite the minister to consider that possibility. If he really wanted to treat the Crown as an ordinary citizen in this instance, and I invite him to do so, he could simply delete the entire clause. If that is unacceptable, then I would request that he consider the other amendments I have proposed which would extend the notice period by 30 days and take away the requirement that prejudice to the Crown or non-prejudice to the Crown be shown by a plaintiff before he is allowed to proceed if he has missed the time period specified in the section.

• (1150)

I hope that the parliamentary secretary will consider my remarks in the spirit in which they are intended. They are not intended as a criticism of the bill as drafted. I recognize that this is a relatively standard type of limitation clause protecting Crowns. But I do think in this day and age the Crown in right of Canada, and certainly in right of the provinces, does not need this kind of protection, in my submission.

The answer given in committee when this issue was raised there was that this was exactly what was done in Ontario under the Municipal Act, for example, so why should we not follow the same procedure. What I am saying to the parliamentary secretary is let the House be a leader in this regard and let us start changing some of these archaic rules that, while protecting the Crown,

harm our citizens. They lessen the rights of the citizens of the country. Surely the Crown as a representative of the citizens, as it is coming increasingly to be, and after all Parliament is its representative, ought not to be looking at itself to be protecting itself from its citizens but in fact to help the citizenry. If it is going to give rights to citizens to sue one another or other corporations without a 7, 10 or 30-day notice period, surely it does not need to insist on such notice for itself as against its own citizens, which is exactly what Section 23 is doing.

I ask the parliamentary secretary and the minister to consider removing this particular section from the bill altogether and, if that is not acceptable, to agree with my other amendment.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, in speaking on Motion No. 1, and indirectly on Motion No. 2, I would like to echo the comments of the hon. member for Kingston and the Islands about the spirit with which the legislative committee approached this bill. Certainly, there were significant improvements to the legislation in a number of areas. The hon. member for Kingston and the Islands played a very distinguished role in the Chair. He was certainly very vigorous in that role on a number of occasions. I think that we came out with a better bill as a result of that process.

There were a number of areas in which I sought improvements to the legislation by amending the bill, in some cases successfully and in other cases the government defeated those amendments. Clause 23 was one of those clauses in which I did seek an amendment very similar to that which is proposed by the member for Kingston and the Islands. There is absolutely no reason to maintain this seven-day notice provision. I fully support Motion No. 1 which would extend that period to 30 days and which would also make certain changes in the second part of it.

I must say that I am astonished at the suggestion of the hon. member for Kingston and the Islands that if that fails that we should repeal Clause 23. What the Liberal member is suggesting is that we move backward to the *status quo* and that the current provisions of Clause 23, although limited, would in fact remove the requirement in the existing subsection 12(1) that a copy of the notice of claim be sent to the Deputy Attorney General of Canada. In addition, the new Clause 23 would remove the exception in subsection 12(2) concerning the failure or insufficiency of notice.

Clause 23 is a step in the right direction. It does remove a couple of barriers that now exist for the citizen seeking justice before the Federal Court. I am very disappointed at the suggestion of the hon. member for Kingston and the Islands that he wants to go back to the *status quo*. That is exactly what he would be doing by repealing Clause 23 in its entirety. He would be going back to the existing provisions of the Code.

I do not know whether it is the position of the Liberal Party that these barriers, which now exist in Clause 12 with respect to the notice, and the exceptions remain.

I would call upon the member for Kingston and the Islands to reconsider Motion No. 2 and to recognize that certainly there are improvements that can and should be made to this clause, but in the event that Motion No. 1 is not successful, I would suggest, with respect, to the member for Kingston and the Islands that proceeding with Motion No. 2 would be a step backwards. I am not at all sure that he would want to take that step which would in fact weaken the rights of the citizen in litigation against the Crown.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to echo the comments of my colleagues that this bill is a step in the right direction and that there were significant improvements that were made at the legislative committee. The member for Burnaby—Kingsway pointed out the role the member for Kingston and the Islands played in this. I am very pleased to have beside me the member for Red Deer who also was a very significant and helpful individual part of that legislative committee.

I have, as have the members of the government, considered very carefully the motions proposed by the member for Kingston and the Islands. While I always strive, if possible, to agree with a fellow alumni from Queen's University it is not always possible. I notice he is wearing his Queen's crest today on his jacket. I do not know if that was a coincidence, but nonetheless I think

that we are going to have to agree to disagree on the two motions that he has proposed to the House on Bill C–38.

I would suggest to the House that a seven–day notice for a proceeding against the Crown is not an unreasonable notice. I wanted to correct an impression that may have been left by the member proposing this, that we were doing so on the basis or our justification was the limitation period within the Ontario Municipal Act. I do remember making the comment and I said I thought it was a 48 hour notice, but regardless I think there is far more to this than the fact that the provinces or the municipalities across this country may have a shorter notice period of time.

The member talked about the Crown and the prejudice to individuals. I agree that this bill has gone a long way to putting the Crown on a more equitable footing with those who seek to bring an action against the Crown. But the Crown is not exactly like another individual in this country. The Crown should be equated with the public interest in Canada. The public interest in proceedings against the Crown is, of course, the Canadian taxpayer. I do not think it is unreasonable to ask those who have an action to be brought against the Crown to bring that within seven days.

I can tell the hon. member that, yes, I had a look at that. I had some of the same concerns that he did, that that is a very short limitation period. He anticipated the argument that I would make. There is a saving provision in the second part of that that gives relief to those who bring an action or who give notice to the Crown outside of the seven–day period. The wording is "the relief can be granted if there is no prejudice to the Crown." I think that is reasonable and I have to disagree with him that the only basis for relief is if there is an injustice to the plaintiff. These are proceedings against the Crown, they bind the Canadian taxpayer to pay if there is a successful lawsuit. So I cannot agree that we should remove the clause that protects the Crown nor should we remove the clause that is the saving provision on this.

The hon. member pointed out that if we abolish the clause altogether, and it was quite correctly pointed out by the member for Burnaby—Kingsway, that that would be an intolerable position. The member said that there would be a six–year limitation period under tort law. That is too long for a number of reasons. As you know Mr. Speaker, the Crown controls and owns millions of acres across this country. If there is an accident on Crown land that gives rise to an action, we should be notified immediately for a number of reasons.

• (1200)

First, it allows the Crown to decide whether an action should go forward. Nobody wants to prolong litigation. Everyone wants to settle litigation as quickly as possible. With a seven–day notice period, the Crown is able to assess what it is that has gone wrong on Crown land and then make a determination as to whether a settlement should be made. That is in the interests of all parties.

As well, and I think the hon. member should have brought this to our attention, if there is something on Crown land that is a danger to the public, the Crown should be notified. That is in the public interest because the Crown wants to correct that situation. To let a hazardous situation continue indefinitely—

Mr. Milliken: That is a bit unctuous.

Mr. Nicholson: I did not quite catch what it was the member said, but he seemed to disagree with what I was saying.

If there is a problem on Crown land, the Crown should be notified of it immediately so that steps can be taken to protect other members of the public.

Mr. Fee: More sensible.

Mr. Nicholson: The member for Red Deer says that is sensible, and I believe it is. We have considered it very carefully and I think, in the best interests of the public, that these two motions should be defeated.

Mr. Milliken: Mr. Speaker, I just wanted to answer two points. First, the hon. member for Burnaby—Kingsway in his very kind remarks suggested that by moving my second amendment I was seeking to destroy citizens' rights. I think he knows that that is not quite accurate.

I think he knows that I was trying to take this clause out of the bill entirely so that the Crown would be in the same position as any other defendant in such an action. If I have misunderstood the situation and that is not so, for he may have sought advice from legal minds and in places that I would not even dream of finding advice, he may know better than I do. I bow to his superior judgment, if I am wrong in that, but my intention was to do that. I think he knows that that was my intention.

Frankly, I think he was being a little naughty in suggesting that I was trying to take away citizens' rights.

Second, while the parliamentary secretary's arguments all make great sense, the same arguments can apply to any of the very large corporations of Canada that own millions of acres in Canada.

I chose the Canadian Pacific Railway very specifically as an example because CP owns millions of acres all over Canada. It faces exactly the same difficulties that the Crown does. It wants to correct problems on its property if it hears about them. It wants to settle litigation as well, because it is the shareholders of CP that end up paying, and many of them are citizens of Canada. For the parliamentary secretary to suggest that he is protecting the Canadian taxpayer by this amendment, I agree that is a worthy and laudable—

The Acting Speaker (Mr. Paproski): I have given the hon. member an opportunity to speak a second time, but really this is not possible at this stage. I thought it was a point of order.

Is the House ready for the question.

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

I declare the motion lost.

Motion negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 2, standing in the name of the hon. member for Kingston and the Islands.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

I declare the motion lost.

Motion negatived.

Hon. Otto Jelinek (for the Minister of Justice) moved:

Motion No. 3.

That Bill C-38 be amended in clause 31 in the French version by striking out line 32 at page 21 and substituting the following therefor:

"ments rendus contre l'État dans les cas où un fait".

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, this is a technical amendment to make sure the versions in both official languages are as identical as possible. It would more accurately reflect what we are trying to do to use the term *contre l'État* as opposed to *visant l'État*.

The use of *contre l'État* would make it correspond with other references to the interests of the Crown.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): moved that the bill, as amended, be concurred in.

Motion agreed to.

Mr. Lewis moved that the bill be read the third time and passed.

Motion agreed to, bill read the third time and passed.

* * *

BRITISH COLUMBIA COURTS AMENDMENT ACT

MEASURE TO ENACT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): moved that Bill C-59, an act to amend various acts to give effect to the reconstitution of the courts in British Columbia, be read the second time and referred to a legislative committee.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Hon. Minister of Justice and Attorney General of Canada I have the honour to speak at second reading of Bill C-59, the British Columbia Courts Amendment Act. This act would amend the Judges Act as well as a number of ancillary clauses resulting from the changes in court structures in the province of British Columbia.

The Government of Canada is committed to making the judicial system in Canada more efficient. To that end the federal government is co-operating with the provinces to improve the administration of justice throughout the country.

One example of that is the government's policy of responding positively to the initiatives of provincial governments to reorganize the Provincial Superior District and County Courts to better suit and improve the administration of justice in the provinces.

The amendments contained in Bill C-59 will give effect to the decision of the province of British Columbia to merge its county courts into the British Columbia Supreme Court. Legislation to effect the merger of the County Courts with the Supreme Court of British Columbia was adopted by the province of B.C. in June, 1989, to come into force July 1, 1990 or such earlier date as might be fixed by proclamation.

Bill C-59 would enact the complementary amendments to federal legislation in consequence upon the merger of the courts.

• (1210)

In addition to changing the name of the court where it appears in federal statutes, this legislation will make the changes in the Judges Act necessary to reflect the new organization of British Columbia's courts, including their creation of a new position of Associate Chief Justice of the Supreme Court of British Columbia.

This bill is neither major nor complex. All of its provisions might be described as technical, yet it contributes substantially to the more effective functioning of the legal system in British Columbia by making the necessary amendments to federal statutes to permit the court merger in that province.

In addition, this bill represents another example of this government's commitment to co-operating with the provinces and territories to the benefit of all Canadians. I would ask the support of all members in ensuring speedy passing of this bill.

Mr. George S. Rideout (Moncton): Mr. Speaker, our party supports the position of the government. We see this legislation as something that should probably happen in B.C., but in part it is up to the people of B.C. to make this decision. I believe there are about seven or eight provinces across the country that now have a unified court system. Obviously for B.C. to move in this direction is a positive statement.

We in New Brunswick went through this process about eight or nine years ago, and there is always some hesitation and concern, particularly among conservative barristers who are reluctant to change and reluctant to go through that process.

If the New Brunswick experience is any indication, the process works well and was an improvement. One is not faced with trying to decide in which court to proceed because there is only one court. We think this is a move in the right direction.

We would urge all those people in British Columbia who have concerns to come before the committee studying the legislation to make sure that their views are heard. We agree with the parliamentary secretary that it is more technical in nature than substantive, but the effects can be substantive. That is why these groups, organizations and individuals should come forward.

Perhaps, once all the courts are unified under one system, we should be considering specialization as far as judges are concerned. That is a choice we may want to look at some time in the future, where you have family law judges, criminal law judges and judges of civil matters.

We on this side of the House are supportive of the general direction of this bill and look with interest to the submissions that will be made.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I rise to support this legislation. As a member of Parliament from the province of British Columbia, I am particularly pleased to note that in effect this proposal of the government would implement legislation that was adopted and supported by all parties in the British Columbia House in June of last year to effect the merger of the county courts with the Supreme Court.

I believe this leaves only one province with split jurisdiction. I believe Nova Scotia retains the split jurisdiction. Hopefully, it too will move under Premier McDonough in the very near future to achieve that important advance.

It has been indicated that the legislation is largely technical in nature, and that is quite accurate. I do want to take this opportunity though, since the subject of this bill is the courts and the merger of the courts, to take a couple of minutes to talk about the important question of access to these courts.

While it is important that we move forward in ensuring the courts are efficient in the administration of justice—and this bill will certainly be a small step in that direction—there are still serious concerns with respect to access to justice in British Columbia in particular but also in other parts of the country.

One of the important elements of justice and access to justice in this land is the ability of those without resources to have access to the courts, whether it be district courts, county courts, the Supreme Court or higher courts. For that reason I want to take this opportunity to express my deep concern and that of my colleagues about the cut-backs in legal aid.

I have the most recent annual report of the Legal Services Society of British Columbia, which is the body responsible for ensuring access to the courts and the provision of legal aid in British Columbia.

In this most recent annual report the chairperson of the board of directors of the Legal Services Society states:

> In B.C., legal rights are empty rights. Rights conferred by the Charter of Rights are rights without remedies because the province is not providing adequate funding for legal aid services.

Mr. Henderson points out that this is an essential element of a system of justice which is accessible to all citizens. He goes on to point out that some of the particular areas of concern are the low level of tariff paid to lawyers who take on legal aid cases, the absence of adequate resources to provide assistance to people involved in debt litigation, hearings before administrative tribunals in workers' compensation matters, welfare appeals, and refugee claims.

As well, on the question of access the board points out that it is essential that steps be taken to ensure the justice system is responsive to the needs of native people. We have seen a number of inquiries, whether it be the Marshall inquiry in Nova Scotia, the inquiry currently under way in Manitoba or in other jurisdictions which have pointed out serious problems with the accessibility of the justice system to native people in Canada.

The justice reform committee report in British Columbia stated:

> Our legal system falls short of providing equal access to all citizens.

I would hope the federal government would accept its responsibility for far more adequate resources to legal aid across this country. I recognize that the federal government does make a significant contribution to legal aid through cost sharing agreements. There is still far more that can be done, and I hope that the government will move in that direction.

On the question of access to justice, particularly under the Charter of Rights and Freedoms and the minority languages provisions of the Constitution, I want to ask that the Minister of Justice move very quickly to implement the unanimous recommendations of the Standing Committee on Human Rights to fund the Court Challenges Program fully.

This legislation before the House now deals with the efficiency of the courts and an important element of that whole question is the question of access, whether that be through legal aid or through funding under the Court Challenges Program, to make the rights which are on paper a reality to all Canadians.

The unanimous report of the standing committee on the Court Challenges Program pointed out that access to the courts is integral to the effective implementation of constitutional rights. As the Minister of Justice is well aware, this program is struggling. At this point the executive director of the Canadian Council on Social

Development has given lay-off notices to the staff of the program. I hope the Minister of Justice in his concern for access to the courts would move very quickly to ensure that steps are taken to fund this important program fully.

Finally, I want to take this opportunity to raise concerns on legislation which is largely technical in nature but deals with access to the courts and the efficiency of the court system. Concerns have been raised recently by a number of my colleagues dealing with the whole question of sexism in the courts. This particular legislation deals with courts in British Columbia, but it is not restricted to British Columbia. I regret to say it was a judge in my province who referred to a three year old child as being sexually aggressive.

[*Translation*]

Recently, Mr. Speaker, we had a judge in the province of Quebec, Judge Denys Dionne of the Quebec Court in Longueuil, who said in one of his judgments: "As they say, rules are like women: they were made to be violated."

• (1220)

[*English*]

That belies the grim reality of violence directed against women in the country: the fact that a women is raped every 17 minutes in Canada; the fact that one woman in four will be raped some time in her life, most often by someone that she knows; the fact that one in eight girls is sexually assaulted before the age of 18, usually by a male family member; the fact that 54 per cent of women living with men will be struck at some time during the relationship; the fact that 60 per cent of rapes reported and most battering and child sexual assault take place in the home; and, finally, the fact that some 90 per cent of women are sexually harassed on the job at some time in their work life.

I would hope that the minister, in moving forward in this area of improving the efficiency of the courts, would also take steps to ensure that our judges are educated as to the reality of violence against women.

We recall the comments of Madam Justice Bertha Wilson recently and too many other judges: the Quebec judge to whom I have just referred and the Northwest Territories judge who said sexual assaults are less serious there because most occur when the woman is drunk and passed out and, to quote the judge, "The man comes along, sees a pair of hips and helps himself". There is also the Nova Scotia judge who told women that they should obey their husbands and go back to them.

I would join in the call by many women across Canada and all those concerned about equitable justice for a national task force to examine sex discrimination in the Canadian legal system. I take this opportunity to urge the Minister of Justice to strike a national task force to look into this very serious problem of sexism on the bench.

I just might add that I know there is a recently founded Canadian judicial centre, and I would hope that this centre would play a leading role in helping to educate our judiciary.

There have been more women appointed to the bench recently and certainly the minister is quite accurate in noting that. It is a welcome change from former Conservative governments. Up until 1979 no Conservative government had ever appointed a woman to the bench at any level in the country. We certainly welcome this change as an important step forward.

In conclusion, I support the legislation which is before the House and hope that the government will take note of the concerns I have raised with respect to access to justice in the area of legal aid, the renewal of the Court Challenges Program, and, particularly, the importance of educating our judges about the reality of violence against women in Canadian society.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the hon. member for Burnaby—Kingsway in his remarks on Bill C-59 made reference to the fact that Nova Scotia does not have a unified court system. He indicated his wish that that would occur in the near future.

I join him in seeking that end, but I do take exception to the fact that he referred to Premier McDonough. I am afraid that if we wait for McDonough to be elected Premier of Nova Scotia it will probably be a grandchild or great-grandchild of the current leader of the New

Democratic Party and well into the next century, perhaps the year 3000.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

ONTARIO COURTS AMENDMENT ACT

MEASURE TO ENACT

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-60, an act to amend various acts to give effect to the reconstitution of the courts in Ontario and to provide for other related matters, be read the second time and referred to a legislative committee.

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Minister of Justice and Attorney General of Canada, I have the honour of speaking at second reading of Bill C-60, the Ontario Courts Amendment Act.

This bill will provide the complementary amendments to the Judges Act and other federal statutes necessary for the implementation of court reform in Ontario.

That province recently enacted legislation to merge the District Court of Ontario with the Superior Trial Court, the High Court of Justice.

The merged court will become the General Division of the Ontario Court of Justice, a comprehensive name to be given to courts of trial jurisdiction in that province. In addition the Court of Appeal, as is the High Court of Justice, a branch of the Supreme Court of Ontario will be constituted as a separate court. The Ontario legislation therefore marks a significant departure from the traditional court structure in that province, virtually untouched since 1881.

The new Ontario Court General Division will be organized on a regional basis. A regional senior judge will be appointed to administer the court in each of the eight regions under the over-all direction of the chief justice and the associate chief justice of the court.

When the Attorney General of Ontario announced his proposals on May 1, 1989 they were met with varying degrees of acceptance by the legal profession and the public at large. Over the past several months several aspects of these proposals have generated representations to the Minister of Justice and Attorney General of Canada from groups and individuals concerned with their effects upon the independence of the judiciary in Ontario.

The hon. minister has therefore been required to take a much closer interest in these proposals than a federal minister would ordinarily accord a province's plans for court structure. On a number of occasions the Minister of Justice has discussed the legislation directly with Mr. Scott. The hon. minister agreed to make a number of changes since incorporated at the committee stage and in an amending bill enacted in December. I think you will find, Mr. Speaker, that these amendments fully meet the concerns which have been expressed.

Bill C-60 itself is largely technical in nature and is designed to reflect in federal statutes changes to the names and structures of Ontario courts. Upon its passage the judges of the existing High Court of Justice and District Court of Ontario will be reappointed to the Ontario Court of Justice General Division, while courts of the present appellate branch of the Supreme Court of Ontario will be reappointed to the separate Court of Appeal.

A number of transitional provisions have been included in this bill. One which I would bring to the attention of hon. members affects the chief judge and the associate chief judge of the District Court of Ontario. On the merger of the High Court of Justice and the District Court, the positions of chief judge and associate chief judge of the District Court will lapse. For reasons of fairness Section 46 of the bill will continue the salary of the chief judge and the associate chief judge at their present level until such time as the salary annexed to the offices they will hold on the new court equals or surpasses it.

Both Chief Judge Lyon and Associate Chief Judge LeSage have occupied their present positions with great distinction for a period of years that would, were it not

for the abolition of their court, permit them to take the benefits of Section 32 of the Judges Act.

This section allows a chief justice or chief judge who has served in that capacity for a minimum of five years to step down to a temporary puisne position on the court. By virtue of Subsection 43(2) of the Judges Act, a pension to which a judge would thereafter become entitled will be calculated on the basis of the salary annexed to the office of chief justice or chief judge at the time he or she finally retires or leaves the bench.

In the interest of fairness, subclause 46(2) of this bill will extend the same right to the chief judge and the associate chief judge of the District Court who have held their respective offices for seven years, and in the case of Chief Judge Lyon, for an additional five years as associate chief judge of the court, by deeming them to have made an election under Section 32 of the Judges Act effective upon the merger of the court.

I will note here that it is intended to introduce a number of amendments to this bill in committee to take account of additional purely technical changes required to federal laws. They do not however affect the salient points of Bill C-60.

• (1230)

[*Translation*]

Mr. Speaker, in accordance with the principle of shared jurisdiction as provided under the Constitution, the provinces and the federal government are bound to work together to ensure the proper administration of justice in this country.

An Act of Parliament and decision by the executive authority are necessary to give full effect to the measures being considered by the province with respect to the Constitution of the courts as provided under Section 96 of the Constitution.

[*English*]

Bill C-60, the Ontario Courts Amendment Act, will allow the province of Ontario to institute reforms designed to improve the administration of justice in that province to make the courts more accessible and more responsive to the imperatives of contemporary litigation.

I hope that the spirit motivating these reforms will be accorded the approval of all hon. members.

Hon. Bob Kaplan (York Centre): Mr. Speaker, on behalf of the official opposition I want to welcome the reform of the Ontario system of courts to Parliament.

The relatively modest effort which is before us is really part of a very large parcel of major reform of the court system of the province of Ontario. The province of Ontario is under the leadership of the Attorney General, Ian Scott. This is phase 1 of a two phase project. Phase 1 is already described, discussed and settled. Phase 2 is in the process now of being described. I am looking forward to seeing Parliament play its part in carrying this reform forward.

It should not be surprising, as the earlier discussion revealed, that Nova Scotia, British Columbia and Ontario are the last provinces of our country to be looking to reorganization with a view to greater efficiency of their court system.

I recall from my days of reading history the difficulties that the Fathers of Confederation faced in trying to bring this country together. We have talked in this House very often, and will be talking again this afternoon, about the problems that relate to our language issue, the English and the French.

The resolution of those problems by the Fathers of Confederation was relatively easy compared to the problems that they faced in trying to bring together the original colonies that formed Canada as each had, for long periods of time, an already mature system of justice and courts somewhat similar, but none of them wanting to yield anything to the establishment of the new country of Canada which emerged from the work of the Fathers of Confederation in 1867.

The pressure to maintain the prerogatives of the then existing system were a heavier burden on the Fathers of Confederation than the problems of accommodating English and French within the new country. We see that even today the challenge of modernizing the court systems with a view to greater efficiency and greater comprehensibility by the people of the province is still a task that causes a lot of concern.

I am looking forward to seeing the bill go to committee following second reading. I hope there will be briefs put forward by the various interest groups that are affected, which groups I want to talk about in a moment. I hope we will have some hearings because I do not agree with the government that, as was indicated by the parliamentary secretary, our role is derivative or—he did not use the words "rubber stamp", but he gave the clear impression

that our responsibility in this place is to rubber stamp what the provinces have decided to do.

I think we should try to be true to the vision of the Fathers of Confederation in 1867 who wanted to see something of a national system of justice emerge from their work. We must make sure that we do our job and that here in the Parliament of Canada we make a contribution to the work.

In saying that, I think we have also to recognize that a tremendous amount has been done and that the problems and the conflicting and competing interests within the justice system have been addressed by the attorney general. He had numerous meetings with all concerned.

I ought also to pay tribute to Mr. Justice Zuber and to the enormous effort that went into his report which forced the entire community involved in the justice system in the province of Ontario to think again about the system they were living with and about the improvements that could be possible.

Certainly efficiency and comprehensibility were not objectives of the Fathers of Confederation when the system was put together. In those days it was just a matter of trying to get approval and support for Confederation. We began with a system of justice, if one can call it that, which really has no central management. It depends on the working together of four systems, each of which has by tradition, by law, by our Constitution, certain prerogatives and a certain independence.

We are all very aware of the independence of the judiciary, an independence which the system of justice, before its reorganization and when we are finished with its reorganization, must continue. Otherwise, the democracy of Canada will have lost something.

Second, the Crown attorneys have by tradition, by law, certain recognized prerogatives which also have to be accommodated within this so-called system. There is the bar which represents the public, the litigants who come to court to defend themselves, to make claims against fellow citizens, against the government and so on. The whole prerogative that the bar has enjoyed for decades and is a hallmark of our system needs also to be accommodated within the system which is before us to revise.

Finally, and by no means least important, there is the court system of Ontario which administers the system; the officials, the people who build and manage the court houses with their timetables, the process servers and the paper handlers within the system, all of whom have a responsibility to represent the taxpayers of the province with a system that is efficient and modern and in which things happen and are understood.

Those competing interests, all of which need to be accommodated by the new system, have been broadly involved and are very aware of the implications of the system before us which we are being asked to consider, to look at in committee and to validate by the legislation that the minister has introduced.

I am looking forward very much to our work. The court system faces challenges today that could not even have been dreamed of back in 1867. The fact that the four independent systems have been able to work together and make a system, even though it needs the changes we are considering, is one that we are very proud of. It is a tribute not so much to the structure as to the people who have worked within it, who have recognized each other's role, each other's need for independence, and have done their best to accommodate that. I think it is appropriate to pay tribute to them.

It is taking nothing away from any of them or the role they have played in making the system work so far, to recognize, as seven other provinces have done, including Quebec which has done so from Confederation, that a unified system has considerable advantages.

When I was discussing this bill with some of my colleagues in my caucus who are not members of the bar, they were all delighted to hear, for themselves and on behalf of constituents, that there was going to be a system which would be more comprehensible to them. When the Supreme Court has done something, they will understand more clearly what that means.

• (1240)

At this time we have a Charter, which we did not have, we have a legal aid system, which we did not have, and we have complicated family relations which, more often than they should and certainly more often than in the past, bring members of families to court. We have had a tremendous population growth and one which is very

uneven. Some parts of our province have huge populations, others have grown much more slowly, and all of that has had to be accommodated within a system designed in 1867 and revised in a very significant and important way in 1881 and 1882, but really not in any significant way since then.

So I congratulate my colleagues and counterparts in the province of Ontario for the work they have done. I congratulate the Attorney General, Ian Scott, for bringing forward this major initiative, and the Minister of Justice across the floor and his parliamentary secretary for giving us the opportunity now to deal with this bill and to see it carried to committee.

I noted in reading the papers from the process at Queen's Park that it was the hope of the Attorney General that this reform and unification might be in effect by January 1990. That would have been okay with us in the Official Opposition, but it was not presented for second reading until today, which is already after January 1, 1990. I regret that, for whatever reason, the package did not reach us in time to meet the Attorney General's desired target of January 1, 1990, but I hope that we can still make this happen very soon, certainly before the end of 1990, if not months and months before that.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I would like to rise very briefly to indicate that we in the New Democratic Party do indeed support this legislation. Many of the arguments that I made with respect to the preceding bill, the bill that would effect the merger of courts in British Columbia, apply of course to this legislation as well. They include the comments I made with respect to access to the justice system, the funding of legal aid programs and the concerns about the importance of educating the judiciary with respect to sexism in our society and, unfortunately, on the bench.

[*Translation*]

Mr. Speaker, I also mentioned that extending the Court Challenges Program was important in order to promote access to justice across Canada.

In fact, extending the program is important, not only for equality rights but also and above all for the purpose of promoting and defending the rights of language minorities in this country.

Mr. Speaker, the Court Challenges Program has been in existence since 1978 for cases involving official languages. The fund for this program was established because the government at the time, and in fact all members of Parliament, thought it was important to obtain a court ruling that would specify to what extent the Constitution protects official language minorities.

Mr. Speaker, in 1982, when the Canadian Charter of Rights and Freedoms came into force, the federal government decided to provide for a renewed and expanded program that would finance court challenges by Canada's language minorities.

Mr. Speaker, this program is an important tool for promoting official languages and language rights in this country.

Mr. Speaker, since 1978, the program has funded a number of challenges in our major courts. For instance, the right to be educated in the minority language, as stated in section 23 of the Charter, was the subject of most of the challenges funded by the program.

Last December, the Standing Committee on Human Rights unanimously recommended that the government renew and even expand the Court Challenges Program, both with respect to equality rights and language rights.

I therefore want to ask the Minister of Justice (Mr. Lewis), since we are talking about the courts in Ontario and especially, Mr. Speaker, in recognition of the fact that there are more than one million Francophones in the province of Ontario, to respond—

Mr. Boudria: There are 426,000!

Mr. Robinson: One million! —to respond positively to this very important recommendation that is supported unanimously by the Human Rights Committee.

Mr. Speaker, without funding for court challenges, language minorities will be deprived of their rights.

Mr. Speaker, we support the bill before the House today. However, I want to take this opportunity once again to ask the government to respond positively and very quickly to the recommendations made by the Standing Committee on Human Rights.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to speak for only a few minutes on this bill. I want to do so from the perspective of a non-lawyer to express to you and to other members of this House just how hopelessly complicated the existing system was and is.

Perhaps to people who are learned in the law it is simple to understand that in the Supreme Court of Ontario there is a Court of Appeal, a High Court of Justice, a District Court, a Surrogate Court, a Unified Family Court, the court Masters and the family law commissioners. Maybe that makes a whole lot of sense to the people in the legal profession, but to the rest of us this is very complicated. For our constituents, those whom we are charged to represent in this House and those whom our colleagues represent in the legislative

assembly of our province, it is certainly high time that we make this system a little bit easier to understand.

The bill proposes to do so in two steps. This is not the first attempt at simplifying the court system. It seemed that for the three and a half years that I sat in the Ontario legislature every time we talked about the courts of justice in the Ontario House, it was always for the purpose of making it simpler to understand. It never did get much simpler.

To add to the existing structures I talked about only a moment ago, in the provincial court of Ontario, as opposed to the Supreme Court of Ontario which should be distinguished from the Supreme Court of Canada which we have not talked about, there is the family division, the criminal division and the civil division. Imagine the average Canadian trying to figure out how all of this is supposed to work.

We know that the ultimate objective is to have only two structures, the Court of Appeal and the Ontario Court of Justice. It would seem to me that that would be so much easier to understand and to explain to those we are representing. The old adage that justice delayed is justice denied is not only true. Using the same analogy, you could debate whether justice that is not understandable to the average person is justice at all when it is beyond reach and comprehension of so many people because it is so hopelessly complicated.

• (1250)

To add to this very complicated structure, we have all the tribunals and quasi-judicial organizations that exist both provincially and federally. I think, for instance, at the federal level of such organizations as the Immigration Appeal Board, which is very structured. The justices, if that is what they call themselves, or panel members, walk into the room and everyone is expected to rise as if you were appearing before the Supreme Court. There are other organizations which are a lot less formal. However, as far as I am concerned, those boards and tribunals act in a way which is far too formal.

I know that some people would say that some of them should be changed into courts. I happen to disagree with that proposition. I think there is a need for these quasi-judicial bodies to operate in a less formal manner so that the average constituent can go there with his friend or neighbour and express his point of view.

I do not want to take much more time. I recognize that we want this bill to proceed today. I think you will hear in a few moments of the co-operation that our party is willing to provide in order to enable that to proceed.

[*Translation*]

I therefore want to congratulate the Attorney General of Ontario on this excellent initiative. It was high time something was done in this respect, and I am very pleased to see this kind of co-operation between the federal government and the province. I think the Liberal minister from Ontario is to be commended for his progressive attitude and his desire to make the justice system more accessible to Canadians.

[*English*]

Of course I want to offer as well my good wishes to the minister across who has co-operated with the provincial Liberal minister who has all the foresight. I am glad that the federal Minister of Justice took heed of the foresight of his provincial Liberal counterpart.

The Acting Speaker (Mr. Paproski): The hon. member for York Centre on a point of order.

Mr. Kaplan: Mr. Speaker, there has been some consultation. When this bill has been disposed of I think you would find agreement to deal with the next two bills on the Order Paper in order to see them referred to committee this week, namely the arson bill and the divorce bill dealing with Get.

Mr. Robinson: Mr. Speaker, in view of the importance of the two items of legislation, particularly the latter one on which we have been urging government action for some time, I am pleased that the member for York Centre accepted my earlier suggestion that we sit past the hour of adjournment on this legislation.

Mr. Lewis: Yes, Mr. Speaker, naturally the government would be prepared to not see the clock.

I might also suggest, in the interest of our colleagues who perhaps have other engagements, that we could agree not to call quorum. Therefore, just the members who are interested in the bill would be required to stay in the House, if that suits everybody else's position.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): Agreed and so ordered.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Bill read the second time and referred to a legislative committee.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-53, an act to amend the Criminal Code (arson), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I rise today to speak on a subject of concern to many Canadians. I think all of us know what a terrible destructive force fire can be when it occurs. Fires cause death, injury and property damage every day in this country. Most are the result of accident or carelessness, but some are deliberately, recklessly or negligently caused by someone. This was the case in over 10,500 fires in 1988. This was a 17 per cent increase over 1987.

Arson is a major crime in Canada and statistics illustrate its seriousness. Arson accounts directly for at least 13 per cent of all reported fires. In 1988 arson was the cause of 42 deaths and injuries to 456 civilians and fire-fighters, many of the latter being volunteers. In the same year the value of insurable losses caused by arson and other set fires was more than $198 million. The actual economic loss is estimated to be four to five times that amount.

In Canada many of the original arson provisions of the Criminal Code have not been amended substantially since the Code was implemented in 1892. The present provisions are contained in Part 11 of the Code which deals with criminal acts with respect to certain property. Sections 433 to 436 provide for several offences of arson including setting a fire by negligence. As well, they contain a presumption of fraudulent intent on the part of a beneficiary of an insurance policy.

The present law on arson focuses on property. A distinction is drawn as to the types of property that are covered by the crime of arson. However, Bill C-53 focuses on the danger that fire poses to the life, health, safety and property of all Canadians, and particularly to fire-fighters.

[*Translation*]

Since 1975, the Canadian Association of Fire Chiefs, the Association of Canadian Fire Marshals and Fire Commissioners, and the Canadian Association of Chiefs of Police have repeatedly called for amendments to the *Criminal Code* provisions respecting arson.

The resolutions adopted at their annual meetings recommend that the scope of the crime of arson be extended to cover all property, that explosion be included as means to commit arson and that possession of an incendiary material in suspicious circumstances be made a crime.

In 1975, the Uniform Law Conference passed similar resolutions and recommended that the Department of Justice review the sections of the *Criminal Code* dealing with arson.

[*English*]

In 1984 the Law Reform Commission of Canada published its Working Paper 36 on arson. It stated that the law is both archaic and inadequate. It made five recommendations which called for significant simplification of the law. Following publication of that working paper the Department of Justice studied the Law Reform Commission's recommendations as well as the proposals of various concerned groups. Consultations were also carried out with representatives of the prosecution and defence bars, law professors, the police, fire

chiefs, fire marshals and the fire insurance industry. The present bill incorporates many of the recommendations which were voiced in these consultations.

I am not going to go into a great amount of detail but there are some points that I want to make with respect to the bill. First, there is the modernization of the definition of the crime; second, the reformulation of the crime of negligent arson; third, the reformulation of the present presumption in Sections 435 and 436; and fourth, the creation of a new offence of possession of incendiary materials.

At present arson is defined as wilfully setting fire to specific types of property. The Law Reform Commission proposed to redefine arson as any conduct which causes an explosion or a fire which results in the destruction of or damage to property. We have adopted virtually all of these elements in the definition of the offence of arson. First, explosion as well as a fire is a means of committing the offence. Second, damage to property is a necessary element of the defence. Third, the distinctions which exist in the present law as to types of property which may be the subject of an arson are eliminated.

I want to address these changes.

• (1300)

[*Translation*]

It is increasingly common in the investigation of arson cases to find that a deliberately set explosion was used to start a fire or that a fire was deliberately accelerated by an explosion.

In investigations, it is often difficult to determine which occurred first—the fire or the explosion.

This difficulty poses a problem for the prosecution when laying a charge in such cases for, at the moment, there are two separate sets of offences in the *Code*: those relating to causing an explosion (Ss. 79 to 82) and those relating to setting a fire (Ss 433 to 436).

There is always a risk that if the prosecution alleges that the fire was the initial event and the explosion followed and the evidence is to the contrary, the accused will be acquitted.

By providing that the offence is committed by either causing an explosion or setting a fire, this risk is eliminated.

[*English*]

The courts have interpreted the phrase "set fire to" in the present Section 436 somewhat narrowly. Case law has determined that the phrase requires that there be actual combustion to commit arson. Mere scorching, for instance, is not enough even though it may constitute significant damage. Accordingly, to date some individuals who have set fire wilfully have been acquitted owing to the fact that the damage to the property had not reached the degree of combustion required by the case law. To rectify this the definition of the offence has been amended so that any damage to property caused by fire or explosion would constitute arson. This change will ensure that whether or not combustion actually occurs, arsonists will be called upon to account for the damage they cause.

The Law Reform Commission has recommended that arson cover the destruction or damage to all property or real property without distinction. Under the current legislation, setting fire to a vegetable stack is arson while setting fire to someone's car is not. The proposed definition eliminates anomalies such as these by making no distinction among the types of property capable of being damaged.

I also point out the effect of the present Section 436 of the Criminal Code is to deem it to be arson committed by negligence where a loss of life, bodily harm or property damage results from a failure to comply with fire prevention laws by an owner, an occupant of property or person who has control of the property.

The Law Reform Commission recommended that no offence of negligence be retained in the Criminal Code in which the harm caused can only be damage to, or in relation to property. However, many of those consulted argued forcefully that too many owners are lax or negligent in maintaining residential rental units, particularly in disadvantaged areas. Given the destructive nature of fire once it started, it was important to emphasize the fundamental duty of care with regard to fire by clearly warning those who might be inclined to be

negligent that they may be charged and convicted before a criminal court.

Even though it is important to retain an offence of negligent arson in the Code, it was important to reformulate it and the presumptions which underpin it so as to minimize any possibility that the offence might be found contrary to the Canadian Charter of Rights and Freedoms. We have done that in Section 436.

The present provisions on arson contain two presumptions. Under Section 435 the fact that a person holds a fire insurance policy relating to property wilfully set on fire is, in the absence of any evidence to the contrary, proof of intent to defraud. Section 436 provides that a person is deemed wilfully to have caused a fire if it is established the fire would not have occurred if the fire prevention by-law had been complied with. We believe that both presumptions are open to challenge under the Charter.

Bill C-53 will amend the present mandatory presumptions to permit permissible inferences. That is, the trier of fact may, not must, infer an intent to defraud from the fact that an owner intentionally caused an explosion or fire to property that was insured. In practice, the proposed permissible inferences should be as effective as the present mandatory presumptions in helping to convict the fraudulent arsonist without, at the same time, infringing on the charter of rights of the accused.

The present Criminal Code does not contain any provisions covering cases where someone is caught with accelerants, gasoline or other similar substances in circumstances indicating that they have these items in order to set a fire. Because mere possession of such materials is itself not a crime, the police must wait until a suspect has taken some substantial step toward setting a fire before making an arrest. By that time it may be too late as the fire may have already begun to burn. To deal with this omission the bill creates a new offence of possession of incendiary materials for the purpose of committing an offence.

In conclusion, a number of representatives of the Canadian Association of Chiefs of Police and the Canadian Association of Fire Chiefs have already endorsed these amendments, including the North York City Council, which my hon. friend represents.

The fire chief in my constituency in Orillia has been urging action on this issue for many years. I am pleased to advise Chief Shropshire and all fire chiefs and fire-fighters in Canada that the government has taken action. We want to send a very clear message that arson is a very serious crime. Canadians, especially fire-fighters and innocent bystanders must be given the fullest possible protection from today's sophisticated arsonists.

I ask that the House support these amendments.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to speak very briefly on this matter. I had no idea that a learned discourse had been prepared on the subject by the minister.

The Acting Speaker (Mr. Paproski): I believe the hon. member for Scarborough—Rouge River does have a short discourse. We will listen to him on debate.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, this is not really a legal discourse. I did look forward to addressing the introduction of this bill and its second reading.

What the legislation does signal, of course, is an incredibly large need for reform, not just of this section of the Criminal Code, but many parts of the Criminal Code.

What we have in the old arson sections of the Criminal Code are some very outdated terms. We can see by looking at them just how far the Criminal Code and these provisions have drifted out of date with reality. The old section refers to setting fire to military or public stores. Well, I do not know what public stores really are. In Nova Scotia where I was born, I think a public store was a liquor store. It refers to timber for fitting out a ship. I have not seen that concept in quite a while. It also refers to stacks of vegetable produce. This is not just a question of cosmetics or the law looking dumb and inexact. It is actually much worse than that. The terms the way they are expressed now provide pitfalls, booby-traps and ambiguities for police and Crown prosecutors right across the country.

For example, with reference to stacks of vegetables, I wonder whether burning a stack of tomatoes would constitute an offence. I suggest that it may well not because tomatoes are not vegetables, they are fruit. The way the old section reads: "Everyone who wilfully sets fire to a stack of vegetable produce, is guilty of an indictable offence and liable to imprisonment". That is all it says. I question whether or not the simple lighting of a cigarette or several cigarettes is a stack of vegetable produce. These are examples of the difficulties with the old legislation. All of this has implications for cost-effec-

tiveness and efficiency in law enforcement and judicial procedures.

We would probably embarrass ourselves if we looked at the costs of mistrials and dismissals as a result of unnecessary loopholes and technical deficiencies in our laws. That is why I am pleased to address these today.

I would add one caution. That is the adoption in the new statutes of the crime of arson by negligence. It is something that the Law Reform Commission has referred to in its previous studies. I am not so sure that we should be creating an offence that is fuzzy or ambiguous in terms of definition and one where society is capable of off-loading its anger or revenge for a destructive fire, a fire that may have caused the loss of life, to someone who may have inadvertently failed to live up to some aspect of a municipal by-law. I think in terms of criminal law for all of our benefit we look for precision and the removal of ambiguity. I hope that the legislative committee will address this issue at the legislative committee stage.

• (1310)

Therefore I would signal our support in principle for adoption of these reforms. I ask the legislative committee to exercise some caution in its meticulous review of Section 436.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, in view of the hour I will abandon my lengthy learned discourse on this bill and merely take a couple of minutes to indicate that certainly we support in principle the changes which are being proposed to the Criminal Code in the area of arson.

As the minister indicated, there have been no substantive changes to this section of the Criminal Code since 1892 when the Code was enacted. The statistics are clear. In 1988 approximately 10,500 cases of arson or suspected arson took the lives of 42 people and caused more than $198 million in insurable losses. Of course the actual economic loss is well beyond that. One of the areas I would hope we could look at is the extent to which arson laws in fact are being effectively and vigorously enforced.

This causes particular difficulty to firefighters, many of whom are volunteers and at special risk. I would note that in 1987, for example, some 257 firefighters were injured on the job. I would like to take this opportunity to pay tribute to firefighters across the country who have done such an outstanding job on behalf of the communities in which they work.

Canadians have lost homes, schools and workplaces to arson. For example, in 1987 in my own province of British Columbia, an elementary school in New Westminster was damaged to the tune of nearly $2 million. There have been losses of that nature across the country.

The minister indicated that there had been extensive consultations on this legislation. One of the groups that does not appear to have been consulted, at least there is no reference to it, is firefighters themselves. Sometimes we forget the people who are on the front lines. I am not talking about the fire chiefs but the International Association of Firefighters. They are the men and women who are in the front lines and I think they deserve to be heard in this area. If they are interested I hope that we could hear from them in the committee. It is not a lengthy process I am talking about but let us give an opportunity to those who are in the front lines. In some cases they have been injured or given their lives.

I would like to make one other comment with respect to this legislation in the context of criminal law reform. This is a rather piecemeal approach to criminal law reform and I would hope that there could be a more comprehensive approach. The Law Reform Commission of Canada has in fact done some important and, indeed, pioneering work in recommending changes to the Code. They have adopted a report on the general part and I know the minister recently indicated in a speech that he is prepared to move forward in this area. Let us hope that at last that movement does come about. The Criminal Code was first adopted in 1892 and it would be appropriate as we near the one hundredth anniversary of the adoption of the first Code to make a commitment on all sides of the House to try to work toward comprehensive reform instead of reform in bits and pieces.

Certainly there are a number of areas that have to be dealt with on an urgent basis. The report of the Marshall inquiry on native justice pointed to a number of areas of concern in terms of criminal law reform and practice. The practice of full disclosure by the Crown is strongly recommended by the Marshall inquiry as a means of

helping to avoid the kind the injustice that took place there.

I hope that the Minister of Justice will look very seriously at the necessary amendments in order to achieve full disclosure in the criminal justice process.

Finally, I want to come back to the question of a comprehensive approach to the criminal law and to note in examining the criminal law that the minister should pay careful attention to a study commissioned by the Secretary of State, the minister responsible for the status of women in 1986.

The working group came up with a study entitled "A Feminist Review of Criminal Law". It made a number of excellent recommendations and in the context of comprehensive criminal law reform I hope the government will look at them very seriously.

We have heard from Madam Justice Bertha Wilson on this important question of changes, particularly in the area of criminal law. She said, and I quote, "Some aspects of the criminal law in particular cry out for change since they are based on presuppositions about the nature of women and women's sexuality that in this day and age are a little short of ludicrous".

As well, she pointed out that in some areas of the law a distinctly male perspective is clearly discernible and has resulted in legal principles that are not fundamentally sound and should be revisited as and when the opportunity presents itself. This is a clear invitation to the government to move forward in this important area of criminal law reform and to deal with sexism in the criminal law and in our society.

I hope the minister will move in one particular area, the whole area of sexual assault and the honest belief defence which is clearly susceptible to abuse.

On behalf of my party, I support in principle the legislation we are now dealing with to bring up to date the law on arson in Canada. I want to pay tribute to those groups across the country who have been responsible for bringing this important legislation forward and certainly, as always, to commend the Minister of Justice for bringing forward this legislation in response to the Orillia fire chief as well as fire chiefs and men and women across this country who do such an outstanding job for our communities.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

DIVORCE ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada) moved that Bill C-61, an act to amend the Divorce Act (barriers to religious remarriage), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I have another short learned discourse that I want to make. I think it is important to say that I do appreciate the spirit of co-operation this afternoon. One might be tempted to shorten one's speeches—and I have somewhat anyway—but it is important that in the future when somebody says, "Well, why did the government move and why was there not much debate?" I think we could be held accountable for not at least putting on the record why we are going things. So, if I may, I would just like to set out a few thoughts.

The bill before us today is an amendment to the Divorce Act which would provide a court with discretionary powers to preclude a spouse from obtaining relief or proceeding under the Divorce Act where that spouse refuses to remove a barrier to religious remarriage and where the power to remove the barrier to religious remarriage lies solely with that person. Where the court is satisfied that the spouse who refuses to remove the barrier has genuine grounds of a religious or conscientious nature for doing so, it need not exercise its discretion to grant the remedy provided for in this legislation.

Two reasons have prompted the government to present the amendment. First, the Jewish community led by B'nai Brith and the Canadian Jewish Congress, supported by major Jewish organizations, has requested such an amendment to remedy a situation it considers to be unfair. A spouse should not be able to refuse to participate in a Jewish religious divorce—called a Get—in order to obtain concessions in a civil divorce. The Get should not be used as a bargaining tool for child custody and access or monetary support.

• (1320)

Second, I am concerned about protecting the integrity of the Divorce Act and preventing persons from avoiding the application of the principles contained in the act. For example, a wife may feel compelled to agree to custody arrangements which are not truly in the best interests of a couple's child in order to obtain a Get.

I want to take a few minutes to describe briefly the dilemma certain Jewish persons face because of their religious divorce procedures. In the Jewish religion divorce is accomplished by the delivery of a Get from the husband and its acceptance by the wife in the presence of a Rabbinical Court. According to the Jewish religious traditions, the procedure cannot be changed. Without a Get, a Jewish woman cannot remarry in her own faith. Children of a subsequent civil marriage suffer religious disabilities. While difficult remarriage within the Jewish faith for a man in the same circumstances is not impossible.

In a study conducted by B'nai Brith, husbands were twice as likely as wives to refuse to participate in the Get procedure in order to obtain concessions in a civil divorce. The Jewish community has attempted to solve this problem, but unfortunately they have not been successful.

I just want to say in response to earlier comments by my honourable friend—and I appreciate his comments and compliments—that the government is moving where it can and where it is brought to the government's attention to eliminate sexism and gender bias in the law. I think we have to do it not only in the stated law but in the way the law is applied. It is not perfect.

I say to you as the Minister of Justice and Attorney General of Canada that I think the attention focused on the bias when found in the application of the law is important. That helps us to bring forward changes not only in laws but in people's attitudes, and that is important. While it may be difficult to get the questions in the House, I think it is helpful in that it focuses attention on the issue. I welcome the assistance of all members in dealing with that very important problem.

In preparing for Bill C-61 I had two major concerns to resolve. First, the impact on other religious groups and, second, the consistency of the amendment with the Canadian Charter of Rights and Freedoms.

[*Translation*]

I did not wish this Bill to affect unintentionally the rules pertaining to religious remarriage of other remarriage of other religious groups in Canada.

Thus, I consulted the leaders of fifty religious groups in Canada, described the elements of the proposed amendment and solicited their comments on the impact of the bill on their respective religious practices. Of the fifty religious groups consulted, nineteen responded with substantive comments.

Mr. Speaker, this consultation process was extremely valuable. It provided us with the opportunity to carefully consider and discuss a number of the important issues this proposed legislation raised.

You will be interested to know the Roman Catholic, Presbyterian and Anglican churches agree with the purpose of this legislation.

[*English*]

I believe that Bill C-61 is consistent with the guarantees of freedom of religion and equality contained in the Canadian Charter of Rights and Freedoms for three reasons.

First, pursuant to the case law developed by the Supreme Court of Canada, subsection 2(a) of the Charter respecting freedom of religion is not necessarily infringed by a law that has a religious dimension, if that law does not interfere with the freedom of individuals affected by it to act on conscientious or religious grounds. The proposed amendment will apply only to the situation where a Get is being refused in order to give the party to a divorce an additional bargaining tool for the civil divorce, not because the person is refusing on religious or conscientious grounds. In Judaism there are no religious grounds to refuse the Get.

Second, Section 15 guaranteeing equality of persons does not require that all members of society be treated identically if their needs require otherwise. In the present circumstances, although the Jewish community is the group primarily affected by the proposed amendment, this is because of the particular problems that it has experienced. Specifically, it has no recourse to a

religious tribunal as do all other religious groups canvassed that have religious divorce proceedings.

Third, even if a *prima facie* case were made for a breach of the freedom of religion, I believe the proposal is still defensible under Section 1 of the Charter as a reasonable limit. Such a limit would ensure, for example, that custody decisions were made according to the child's best interest as required under the Divorce Act and not as a result of concessions in exchange for a Get. While impact on other religions and Charter implications were major concerns, I would also like to address two other considerations.

[*Translation*]

First, I have encountered on occasion the view that this amendment may set a precedent regarding other difficulties of other religions. No one, however, has actually been able to point to any situation similar to that of the Get.

It is the case that in some religions, the Roman Catholic, Greek Orthodox and Islam, annulment or divorce may proceed more easily and faster if the couple agree.

However, in all these cases, the authority to grant the annulment or divorce rests with the religious tribunal, not the couple.

An un-co-operative spouse may delay a decision, but ultimately he or she cannot prevent the religious tribunal from rendering its decision.

In these religions, the spouse initiating the action can ask the religious authorities to deal with this problem.

The Jewish spouse does not have that recourse.

[*English*]

Second, the current provisions of the Divorce Act were examined thoroughly to determine if they provided a remedy. The conclusion was that they did not.

I say in conclusion that Bill C-61 can accomplish three objectives. First, it answers the request from the Jewish community for legislative support to rectify a situation it considers unfair. Jewish persons who wish to remarry within their faith will have a greater opportunity to do so.

Second, it protects the integrity of the government's own legislation, the Divorce Act, by ensuring that concessions are not made on support, custody or access in exchange for religious divorce.

Third, the amendment does not appear to have an impact upon other religious groups. National Jewish groups have already indicated their support for the proposed amendments. The B'nai Brith made this comment in a communiqué on the day we introduced it: "Canadians should be proud that their government is prepared to make its multiculturalism policy a living reality by undertaking actions as this." The Canadian Jewish Congress commended the federal government for introducing the legislation.

I would ask all members of the House to support this bill.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I also welcome this important amendment to the Divorce Act and I want to commend the minister for bringing it forward.

It is a bill that means a great deal in the Jewish community of which I am a member. I have been part of the process over the years of looking for solutions to a situation in Halachic law, which is the Jewish traditional law that puts women at a very considerable disadvantage when civil divorces are granted. I am happy that the minister has brought it forward today. I was very glad that we were able to sit through the lunch hour in order to get this bill through, together with some other justice bills.

I must confess to be dazzled at the display of learning about Jewish traditional law that the minister has just shown, and I am look forward to the bill going to committee. I do not think this is a controversial bill. I know it is a bill with all-partisan support.

I want also to express some appreciation for the consideration which this bill was given and for the positive support which it received from the other religious and ethnic communities of our country that were approached for comment about this bill. None of them, as we anticipated, would find that this bill made life more difficult for them, nor does this bill entrench in any way on civil or religious freedom in Canada. However, it would not have been difficult to imagine obstacles being put forward just for the sake of making life difficult. I think it is a tribute to the good state of relations among

the various groups which proudly make up the fabric of Canada that no such obstacles emerged.

• (1330)

We are faced with a situation in which we can look forward to an accommodation. In a country which is pluralistic, bilingual and multicultural, a measure like this, the result that it has achieved and the support that it has received so far is a good sign of the accommodations that Canadians are prepared to make to reinforce and strengthen the national fabric.

Many people, as do I, visualize lots of possible and potential tensions among the various groups within Canada. Multiculturalism and pluralism is a new kind of national experience. Canada is not a country that has the benefit of a monolithic, racial, religious, cultural group which views the nation as an expression of its identity. Most countries are like that. By contrast, our country is a country whose most basic identity comes from the accommodation of minority groups, from the tolerance of differences and from respect for differences, something which is even better than mere tolerance.

We are making our country work when we accommodate legislation like this. We are helping to set an example for others in the country. I want to express the pleasure that I feel at seeing this important step, demonstrating again the openness of this great country of ours.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I am pleased that the House was able to agree unanimously to extend the hours to deal with this important legislation. I want to pay tribute to all members of the House who co-operated in this regard, particularly the member for York Centre who was instrumental in achieving this.

This legislation is legislation for which on behalf of the New Democratic Party I have called for some time. I welcome the government's decision to move forward on it at this moment.

I recall, as I am sure my colleague from York Centre will recall, and indeed I believe my colleague from Niagara Falls was in the House and the committee at that time as well, that during debates on the Divorce Act in 1985 and 1986 there were discussions on this subject. At that point I made it clear that certainly in principle we supported this amendment.

On January 23, 1986, the then Minister of Justice, the member for St. John's West, said this: "I have instructed my officials to establish an expeditious process of consultation with representatives of all the various interests in order to resolve these outstanding issues".

Four years later that expeditious process has resulted in this legislation. I think it is not a minute too soon. I am going to give a couple of examples of the practical effect of the absence of this legislation on women in this country who have suffered as a result.

I want to pay tribute to the many groups and individuals across Canada who have played such an important role in this historic legislation. Those groups include B'nai Brith, the Canadian Jewish Congress, the Coalition of Jewish Women for the Get, and a broad range of others.

I want to single out in particular the contribution of a lawyer, John Syrtash, who has done an extraordinary job on behalf of the coalition that has been seeking changes in this law and, in many ways, who was instrumental as well in achieving changes to provincial legislation in the province of Ontario in 1986.

Following the decision of the Minister of Justice to look into this matter, B'nai Brith Canada conducted a comprehensive study on the use of the Get as a bargaining tool in Jewish divorce proceedings. That study pointed out, and it has already been noted, that Jews who are loyal to the teachings and practices of their faith are not free to enter into a second marriage unless the prior marriage has been terminated either by the death of the spouse or by the execution of the divorce procedure recognized by Halacha, which is Jewish law.

This study documented that in some 311 cases the refusal to issue a Get resulted in very substantial pain and difficulty to one of the spouses. The vast majority of those spouses affected—in some 202 of the cases—are in fact women who were affected by their husband's refusal to grant the Get. There were certainly as well some instances of women who refused to consent to the Get. The reality is that it is primarily Jewish women who have been hurt by this requirement.

I want to spend just a couple of minutes in terms of the background of this. I think it is important that we recognize what has led to this legislation because I believe it is the first in the world at the national level.

One of the commentators on the subject, a woman named Norma Joseph who participated in a forum in Montreal in October, 1988, gave some of the background. She pointed out that mutual consent constitutes sufficient grounds for a Jewish divorce; and that if both parties agree they appear before three rabbis who constitute a Beth Din, or Jewish court.

The fact is that the process in the Beth Din was supposed to set both parties free, but in fact in some cases there are partners, particularly women, who are unfree, who are chained, Agunot, Jews who are divorced who cannot obtain the Get. The definition of Agunah or Agun is someone who is tied, chained or anchored to an absent spouse.

I mentioned that this can theoretically affect both men and women, but because of the structure of Jewish law the victim in fact is most frequently a woman. Since a man must give the Get she is left dependent upon his action.

Rabbinical law was amended to include her acceptance of the document but in fact the Beth Din or the rabbinical court can act in a way to release the man without her co-operation but never the other way around.

I mentioned that I wanted to give some practical examples. I think it is important to do that so Canadians who are not familiar with the implications of the Get, as certainly I was not before this was brought to my attention, will realize the significance of what Parliament is doing. I want to thank Norma Joseph for the work she has done in bringing this matter to the attention of parliamentarians and the public.

These are some examples. The first involves an elderly woman, divorced 35 years in Quebec. Finally, she falls in love. She finds someone to take care of her, to share with her, to live with her but she has no Get. She raised her children alone. She did not ask for money and she did not in any way bother her first husband. All she wanted was to be free, to end her days in companionship and love. But without the Get she cannot remarry.

Another example involves a young woman who had no children but who had a business. Her ex-husband said: "Okay, I will give you the Get but you renounce your share of our business".

There is the case of a professional, a social worker, who would not give the Get out of revenge because, he said, his wife did not deserve it.

One of the most frequent abuses of this Get procedure is the husband who says: "Sure, I will give you the Get. You just give me $35,000, or $50,000, or $75,000". That is extortion, and that is exactly what this legislation is attempting to deal with.

What about the young woman whose husband has disappeared? She cannot obtain the Get.

One other example involves a woman who married an immigrant. She was to sponsor him in Canada. Things went sour. She instituted divorce proceedings and he said: "No. I will refuse to co-operate with the Get". The social worker who was called in to help advised that she be co-operative and not vindictive: "Sign his immigrant papers. Show him how nice you can be". It was bad advice. He is now a landed immigrant and she is an Agunah, chained, denied that divorce.

It is precisely because of that abuse, the potential for extortion, that this legislation is so important.

• (1340)

I recognize the argument that has been made that we have to very jealously guard the division between church and state. I strongly support that.

As well, I recognize there are some who suggest, including some within the Jewish community, that this is not a matter that should be dealt with by means of legislation. They believe that it is something that should be worked out within the Jewish community; that it should be worked out by the rabbis. Some people say: "If Parliament acts, then that removes the pressure on rabbinic leaders to amend religious law to give women equal status in Jewish divorce proceedings".

Certainly, I fully agree that Jewish lay and rabbinic leaders should be taking steps to reconcile the fact that Jewish women outside Canada will remain disenfranchised with their support for this legislation. I hope that that will happen.

In fact, one of the suggestions that has been made is that an international panel of rabbinic authorities confront this religious law which is so clearly in need of change. That would help to ensure that Jewish women everywhere, not just in Canada, would be treated with dignity and respect as they are entitled to be.

The Halachic solution, the solution within the Jewish community, is an important solution. I note that steps have been taken in that regard already.

I want to pay tribute to the Rabbinic Council of Canada, Quebec Region which, with the approval of the Vaad Harabonim, have instituted a pre-nuptical agreement. Hopefully, these will not be necessary any more. But they did show leadership and I want to pay tribute to them for doing that. I hope now the community will move to deal with this injustice, hopefully on an international scale.

In conclusion, we in the New Democratic Party support this important legislation. We have urged its adoption for some time. I know my colleague for Vancouver East in her capacity as the spokesperson on the status of women has dealt with this important question. My colleague for Thunder Bay—Atikokan, who in particular wanted to be here for this debate but because of the scheduling was unable to, wanted to speak to his support for this bill. Indeed, he, along with the hon. member for Mission—Coquitlam and my other colleagues have worked hard with me to bring this legislation about.

This legislation is legislation that is overdue. It will help to ease the pain and the anguish of people who have been denied the Get. We welcome it. We pay tribute to those organizations and individuals who are responsible for bringing it about, for making us the first country in the world to adopt this legislation.

I hope that the legislative committee will move expeditiously to ensure that this becomes law so that no other woman or man will be denied the Get.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to, bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): It being 1.45 p.m., I do now leave the chair until two o'clock this day.

At 1.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CANADIAN INSTITUTE OF CHILD HEALTH

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the report released by the Canadian Institute of Child Health is a voice for Canadian children. It is a documented cry for help and the government of Canada must react, and react immediately.

The health care of our nation's children is being neglected. The situation is not going to change until some very progressive moves are made in the areas of social and economic development and, just as importantly, social and economic equality.

We have the best hospitals in the world, the best doctors in the world, but until social and economic concerns are addressed, the health of Canadian children will remain as shameful as reported by the Canadian Institute of Child Health.

We need some answers to some very important questions. For example, why do we have so little data on mental health? Why are so many young people committing suicide? We have to look at why our young people are feeling so lost, what is happening out there that is destroying all of their dreams and their aspirations.

In 1986, the death rate for poor children was 56 per cent higher than those of higher income children. The mortality rates for our native infants are twice the rate of the total population. Health care does not just mean medicine. Health care is integrally linked to social and economic conditions.

Children are our guarantee of a future. We are relying on them for tomorrow, just as much as they are relying on us today.

THE FLAG

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, today is a proud one for Canada as we celebrate the twenty-fifth anniversary of our flag.

However, last Tuesday our country's image was disrespected by a motion placed before this House about racism and bigotry, the very wording of which was mean-spirited, intolerant and insensitive.

It is constructive to make objective criticisms and to propose effective new initiatives to combat racism and bigotry in Canada. It is quite a different matter, and it is destructive, to use these sensitive and critical issues, as that motion did, in sweeping generalities about the character of our country for purposes of political gain.

The political unity and social integrity of our nation are goals which transcend partisan considerations, and every member of this House should feel a sense of partnership in our common effort to make this country whole.

Certainly, we must all do better and we must all do more. But let us recognize that much has already been done to build a unique and enriched society in Canada of which all Canadians should be justly proud.

Let us not in this House be found to be found to be the cause of racial and linguistic division in Canada. Rather, let us always strive to represent together the true course toward complete Canadian unity.

* * *

FUR INDUSTRY

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I was most disturbed to learn yesterday that Harrod's of London, after 15 years of selling Canadian fur products, is closing its fur salon because of declining demand.

This comes on the heels of the Hudson Bay Company moving its European auction house to Helsinki, ending a century old presence in Britain.

These events should concern all Canadians. The Canadian fur trade contributes over $1 billion to the national economy and well over $300 million is brought into the country through fur exports.

As staunch supporters of the Canadian fur industry, this government recognizes that our fur exports to the United States and to Europe are significant to the health of the industry. The announcement of Harrod's is not good news for Canadian fur exporters.

I call upon my colleagues in the House to work closely with the fur industry, the fur association, and hundreds of northern communities where fur is the economic lifeline to overcome this temporary situation in the market-place. Our continued support for Canadian quality fur products will ensure that there will be no further unwelcome news from Europe and abroad.

* * *

THE BUDGET

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, once again Canadians are being subjected to Conservative warnings to "prepare for a tough budget" consisting, no doubt, of even deeper cuts to once sacred social programs and more unfair tax hikes.

This year something new has been added to a tired script: an obsession with secrecy. The Minister of Finance says he is too busy and he is refusing to hold his usual pre-budget consultations and delaying the distribution of the budget until after it has been tabled. This flies in the face of the opinion of his Prime Minister regarding budgetary reform. In his book, *Where I Stand*, it states: "In an age when we know that government works best when it builds a consensus of public understanding"—I repeat, Mr. Speaker, a consensus of public understanding—"the budget is dropped out of nowhere one night with virtually no effort having been made to achieve agreement or even understanding of its principal goals." The Prime Minister continues: "No process in the world will prevent bad decision-making, but the present budget-making process itself contributes to bad decision-making and therefore to bad government."

New Democrats could not agree more.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Gilles Bernier (Beauce): Mr. Speaker, the constitutional debate and language issues are now attracting a lot of national attention. I would like to draw heavily on an editorial in this morning's *La Presse* by Pierre Gravel to urge Canadians to be calm and moderate in their statements and discussions. Relations between anglophones and francophones are becoming increasingly vexed these days. The slightest initiative looks like a

declaration of war, bad faith sets in and barriers go up between different groups in our population.

Many in our country are on edge at a time when it is more important than ever for cool heads, the editorialist reminds us. I therefore suggest that Canadians try to deepen the language debate and make an effort to better understand the whole philosophy behind the Meech Lake Agreement. We will really understand each other, Mr. Speaker, when we each put good will in our contacts, dealings and discussions. It is certainly possible to discuss and express opinions with as much dignity, respect and equanimity as possible.

* * *

TRIBUTE TO GEORGES FOREST

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we were very sorry to learn this morning of the death of Georges Forest, a great Canadian and great Manitoban. As you may recall, Georges Forest became known for his tireless efforts to defend the rights of linguistic minorities in Manitoba.

In a spirit of openness and tolerance, Georges Forest relentlessly pursued his cause to the Supreme Court of Canada, which ruled in his favour. By this historic act, he corrected 100 years of injustice to Manitoba's francophones. Mr. Forest was not a vengeful man. Mr. Forest was a great Canadian who believed in the principle of linguistic duality and respect for minority rights.

Mr. Speaker, I wish to pay tribute to him today and I ask this House to join me in extending our sincerest condolences to his family. This great patriot has made his mark.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Doug Fee (Red Deer): Mr. Speaker, we all know that across Canada there are very strong feelings and loud opinions being expressed about the proposed GST. I am concerned that there are some irresponsible people advising others to protest the tax by not submitting their applications for the GST credit included with the 1989 income tax form.

Next year, a family with two children and $20,000 net income who would have received a $10 FST credit in 1988, will be eligible for a GST credit of $580. A senior with a net income of $20,000 is eligible for a GST credit of $290 in 1991.

This credit is designed to assist low-income earners. Most of the irresponsible advice to boycott the rebate form is coming from those who, by virtue of high income, would not be eligible for it. I would urge those who are eligible, whether they support the tax or not, to complete the form and take advantage of the credit.

* * *

THE BUDGET

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, yesterday the Minister of National Health and Welfare responded to my question about the muzzling of government advisory groups with the threat of budget cuts, by saying that if I had bothered to listen to the radio, his deputy minister had made it abundantly clear that no such suggestion was made.

I suggest that the Minister might want to read today's *Citizen* where his deputy minister is directly quoted as saying:

> It's like having the heads of one of my departments, or indeed me, saying this is a crummy piece of government policy—

I remind the minister that the National Council on Welfare is a citizens' advisory body and has included, among its members, not only welfare recipients, public housing tenants and low-income citizens, but lawyers, professionals and social workers. The executive director is accountable to the council, not to the minister, and the council has a mandate to advise this government on poverty and social issues.

Ministers muzzling advisory bodies who tell it like it is does not make crummy policy good, it makes crummy policy crummy law.

• (1410)

[*Translation*]

THE ENVIRONMENT

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, the fire now raging in a stockpile of discarded tires in Hagersville, Ontario, has revived fears about the hazard posed by these sites.

I think it is absolutely essential and urgent that measures to get rid of these stockpiles be taken as soon as possible. That is why we would like to bring the following to the attention of the House. Dr. Christian Roy, an engineer at Laval University, has been working for several years, with the support of the federal Department of Energy, Mines and Resources, on a technique called pyrolysis under vacuum, which can be used to recycle old tires.

The tires are burned in lead tanks equipped with a vacuum pump to draw off the gaseous products, thus preventing contaminants from entering the atmosphere.

With this process, practically the whole tire can be recycled, 65 per cent as oil and 25 per cent in the form of carbon black, which products can then be sold back to the industry.

Every year 25 million tires are produced in Canada. Clearly, we must stop stockpiling these discarded tires and start using other methods to get rid of them.

Personally, I think the vacuum pyrolysis technique developed by Dr. Roy might be the answer. That is why the government should make this new technology one of its priorities.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, after having incurred the wrath of nearly every Canadian taxpayer through his proposed goods and services tax, the Minister of Finance has sunk to a new low.

Indeed, 20 years after the proclamation of the Official Languages Act, that minister has the temerity to insult my constituents by providing them with brochures in only one of the official languages, extolling the dubious virtues of his infamous GST.

Need I remind the minister that the riding of Restigouche—Chaleur is composed of a bilingual population and that New Brunswick is the only officially bilingual province in Canada.

My constituents expect to receive bilingual services and the government has the obligation to provide them.

[*Translation*]

The people of St–Quentin are upset because of this brochure, and rightly so. They asked me why, in 1990, Francophones still have to ask to get information in French, even when it comes from the seat of government of a bilingual country. They also wonder whether the GST is something only Anglophones have to understand.

At a time when there is a real language crisis in this country, the minister should have avoided aggravating the problem and made sure that information on the GST was distributed in both official languages.

* * *

TWENTY–FIFTH ANNIVERSARY OF THE CANADIAN FLAG

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, Sir Wilfrid Laurier said that this century would be Canada's. We are now in the century's last decade, and I think can say that our country did in fact, reach maturity during the second half of the twentieth century.

Our flag, whose 25th anniversary it is today, testifies better than any other emblem to the maturity of our country. Drawing from the traditions of people from all over the world, as well as from our own experience, we have become mature as a nation worthy of the name.

Our flag is a precious part of our heritage. Its symbolism goes deep into our collective soul and has hepled to promote our identity as a people.

Mr. Speaker, in concluding, I would like to quote what was said by the hon. Maurice Bourget, Speaker of the Senate, on February 15, 1965: "The flag is a symbol of the unity of our country, since there can be no doubt that it represents all citizens of Canada, regardless of race, language, creed or opinion".

[*English*]

THE FLAG

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, today marks the twenty-fifth anniversary of the Canadian flag.

Some hon. members: Hear, hear!

Mr. Jordan: It was 25 years ago that our distinctive red maple leaf flag was raised over this building for the very first time.

John Matheson, a former MP from Leeds was credited at that time by Prime Minister Pearson as "the one man who had more to do with having a Canadian flag than any other."

Today, we salute John Matheson and all proud Canadians as we celebrate the silver anniversary of Canada's very own distinctive red maple leaf flag.

* * *

MEMBER FOR CHAMBLY

Mr. Albert Cooper (Peace River): Mr. Speaker, I have in my hand an incredible article which begins with the headline: "Edmonston does flip-flop: Now he's opposing Meech". I want to quote from the article which states:

> During the Party's leadership convention in December, Edmonston reacted bitterly to a compromise resolution seeking changes to Meech.
>
> Delegates accepted it in an effort to reconcile supporters of the accord and members who wanted major changes.
>
> "You can't have your cake and eat it, too. I'm not saying that to be menacing or to blackmail you," Edmonston warned the convention, saying the resolution was a vote against Meech and Quebec.

The article further states:

> During the by-election campaign Edmondston simply pretended the NDP's position didn't exist, campaigning on a platform of total acceptance of the deal without amendments.

The article further states:

> He turned his back yesterday on the no-compromise, pro-Meech position that helped him win a stunning landslide victory in Monday's Chambly, Quebec, by-election.

He says: "I support the party (position) entirely". Cynical? You bet. I will bet you the poor people of Chambly are scratching their heads today.

CANADIAN BROADCASTING CORPORATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, a few years ago I fought to save *The Friendly Giant* from budget cuts at the CBC. Well, last week was like a replay of a bad dream. It started with the cancellation of *Switchback*, a wonderful regionally produced youth services on CBC television. It ended with the news that Conservative policies, including the GST and cuts to postal subsidies may kill off *Owl* and *Chickadee* magazines, this at a time when we want to encourage reading and environmental awareness among our children.

This governing is slamming the Polka Dot Door on children's entertainment. What is next? Contracting out Casey and Finnegan's jobs to a pair of non-union Smurfs?

The issue is more than just entertainment. The shaping of young minds will happen whether we act or not. All we can influence is who does the shaping and how.

It can be done by Nintendo, Rambo and G.I. Joe, or it can be done with a view to the future, with intelligent media programming and rich, valuable reading. The choice is ours.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

Mr. Douglas Young (Gloucester): Mr. Speaker, the pigeons have come home to roost. The Bank of Canada interest rate is at 13.32 per cent, an all-time high since the recession of the early 1980s.

My question is for the Minister of Finance. Will he acknowledge that his prediction in the budget last year that we would be enjoying rates around 10 per cent at this stage of the game, was a total and unmitigated failure? The Minister of Finance has to tell Canadians and the money markets, investors and business people what is the policy of this government on interest rates in Canada.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it abundantly clear what the policy is, not just yesterday, not just the day before, but for many months now.

With the instability and the volatility in the markets today, our first objective is to gain stability in those markets, and second, on an ongoing basis, to reduce the level of inflation so that we can get interest rates down.

I acknowledge what my hon. friend has said. Interest rates have stayed up longer than we had anticipated last April. The reason is that inflationary pressures have been stronger and the economy has been stronger than we had anticipated in April. I might add that they are stronger than many other economic forecasters had anticipated last April.

Once we get inflation under control, we will be able to see some easing in interest rates. But until we see some real progress in getting inflation under control, we will not be able to see any meaningful reduction in interest rates.

[*Translation*]

Mr. Douglas Young (Gloucester): Mr. Speaker, is the minister prepared to at least admit that the contradictory statements made by the Prime Minister, the Minister of Finance, Conservative backbenchers and the Governor of the Bank of Canada contribute to the uncertainty among Canadians and investors here and abroad? My question for the Finance Minister is: Do Canadians not deserve a coherent, comprehensible policy from this government after five years in power? Is he prepared to articulate such a coherent policy in order to reassure investors that the Government of Canada knows where it is going?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, above all, what investors, whether they are Canadian or foreign, have received over the last five years is a coherent economic policy. This coherent policy was first set out in November 8, 1984 in the Agenda for Economic Renewal where we stated clearly the two prongs of our economic strategy: first, to get our financial house in order, and second, to deal with some of the structural problems that were causing inefficiencies in our economy. We have followed what we set out to do in November 8, 1984 in a very careful, consistent and coherent way.

• (1420)

The results have been very clear. In Canada, we have had economic growth only a small margin behind that of Japan. We have had the best job–creation record of any of the major industrialized countries through that period, and precisely because Canadians and foreign investors could understand exactly where we were going as a country because it was all set out in that document of November 8, 1984.

Mr. Douglas Young (Gloucester): Mr. Speaker, interest rates are going up, the dollar is going down, the government is going where even angels fear to tred.

The question that the finance minister has to address and that I put to him today is that just last Friday the Prime Minister was saying after the budget is introduced next week, the interest rates are going to go down. Interest rates today are up to an unparalleled height since the Minister of Finance came into office. The rates are going up this week. Are they going to go down next week? Does the minister have a policy, and how is he going to explain to Canadians that he is saying one thing and the Prime Minister is saying another?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member is absolutely wrong and he knows that he is wrong. If he had taken the time to read the transcript of what the Prime Minister said, he would have seen that it was exactly what I have been saying over the past number of weeks. I say to him, read it before trying to sow this uncertainty in the minds of Canadians.

I have made it very clear that if people want to see lower interest rates then we have to see lower inflation. Until we get lower inflation, we are not going to see lower interest rates. It is as simple as that. That is what we have been striving to do with our interest rate policy, and that is what we have been striving to do in our fiscal policy.

Every time this government has tried to do something to get our expenses down, to get the deficit down and to get the debt problem under control, every time we have put something on the table that party, as well as the New Democratic Party, have fought tooth and nail to try to stop us doing these things. These are the things that we are committed to do. We are going to do them because

they are right for the country and they are going to result in a much healthier economic environment.

Some hon. members: Hear, hear.

Mr. Jim Peterson (Willowdale): Mr. Speaker, this government's high interest rate policies are hammering Canadian exporters. It means that they have to pay more to modernize and be competitive. It means that the artificially high dollar created by this government is a far greater burden on our Canadian exporters than the U.S. interest rates were that this free trade deal purported to eliminate.

Let us look at the results of this government's coherent economic policies for the last five and one-half years. When this government took office the government's current account surplus with other nations was $3.1 billion. Today, we have a record deficit of $20 billion. When will this government realize that its high interest rates have straitjacketed Canadian producers, that they are costing us exports and that they are costing us jobs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member fails to point out that one of the reasons for that current account deficit is that companies have been investing in the future because they have confidence in the future. When they invest in the future they buy that machinery and equipment in large part from other countries. That is one of the major reasons why our current account deficit has increased over the past few years because we have had record investment in Canada reflecting the confidence that people have had in the future of this country and in the policies that this government has been following.

I understand some of the concerns that the hon. member has mentioned about high interest rates and about the level of the Canadian dollar. I understand the impact that this can have on Canadians, but I ask him to consider the alternative.

If we let interest rates go down in an unnatural way and fire that over-heating inflation, what is going to happen to the inflation rate in this country? What is going to happen to the permanent, competitive position of the very people for whom he purports to be speaking? It will be damaged on a permanent basis and we will have interest rates that are permanently too high. That is what we had in the seventies and early eighties. That brought the most serious recession this country has seen since the thirties and that is what we are going to avoid.

Mr. Jim Peterson (Willowdale): Mr. Speaker, our producers cannot compete when their interest rates are over 14 per cent and the Japanese producers are paying less than 5 per cent.

My second question involves our second deficit, the budget deficit. By increasing interest rates in Canada last year, in one year alone the government added $6 billion to our national debt. With our twin deficits, a record current account deficit now, and our record national debt, these are a direct result of this government's economic mismanagement.

When will the government stop sacrificing Canada's economic future on the altar of high interest rates?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know who the hon. member is trying to impress, but I can tell him one group of people he would not impress is international investors. If he were standing in my position making those same comments, he can be sure that the dollar would be falling through the floor and we would see interest rates go up further. That is what we are trying to avoid.

The hon. member talks about deficits. Let me remind him that the operating account of the government, that is revenues less program spending, was in a deficit position when we were elected in 1984. In other words, we were spending $16 billion more on government programs than we were taking in. That has now reversed itself. It is a $9 billion surplus. We are making good progress and one of the reasons why we have made good progress is we have controlled government spending.

I say to the hon. member, has he or has his party given us one place where we could reduce program spending in the last five and a half years? I do not remember one.

[*Translation*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also have a question for the Minister of Finance.

The Bank of Canada has just raised the interest rate to 13.32 per cent, an increase of 53 basis points, Mr. Speaker. That is incredible!

I think that we are almost on the verge of a monetary crisis in this country. For that reason, I would like to ask the Finance Minister this question. Yesterday, he told the House that there would be cuts in social programs such as education, health and transfers to the provinces because of the Canadian deficit which is too high.

Mr. Speaker, given the rise in interest rates this afternoon, I would like to know whether the Minister of Finance can now explain exactly how much will be cut from social programs next week in Canada.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think there is a very substantial distortion by the hon. member of what I said in the House yesterday, but I guess that is not surprising. That usually comes from that hon. member almost every time he asks a question.

He has asked me to say to him what would be in the budget next week. He knows that it is not possible for me to comment. What I would say to him is if he has some ideas on how we can cut government program spending in a sensible, sensitive way, as we know we must in this country, then I would welcome his suggestions. But again, I have not received any suggestions from him or his colleagues on that score for the last five and half years.

• (1430)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we have told the Minister of Finance a number of times he can cut out some of the grants to his corporate friends in this country and save billions of dollars.

I do not know if the Minister of Finance realizes that we are almost in a very serious economic crisis in this country. The bank rate has jumped .5 per cent today, by 53 basis points.

The Prime Minister predicted just last week that the bank rate in this country would be down before Christmas. I want the Minister of Finance to tell the House today how he is going to bring down the bank rate in this country without cutting back on social programs, programs for the poor, or health, education and transfers to seven provinces of this country. How is he going to do that without hurting the ordinary people?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the hon. member suggests that we should cut subsidies to business, grants to business. I would like to draw to his attention that those grants, those subsidies involve subsidies for agriculture, social housing, regional development, research and development. That amounts to the vast majority of what he would classify in the government expenditures as subsidies to business.

Which ones of those subsidies is he saying we should cut, because they are not easy to cut? Each one of those is important. They are important objectives of the Government of Canada, and I believe of his party as well. So come clean, let us know which one of those subsidies you would like to see us cut.

Mr. Vic Althouse (Mackenzie): The Minister must recognize that his high interest rate policy has created the problem in agriculture. If you compare the government's intervention to hold up the value of the Canadian dollar through the Bank of Canada's high interest rates with that same government's instructions to farmers via FCC, to "Face up to the market realities in assessing their viability", I have to ask the Minister of Finance to explain why he has not faced up to the same market realities he espouses, permitting the Canadian dollar to fall, thus reflecting its true unmanipulated market value and allowing farm prices to rise?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, these are all very worthy objectives that the hon. member would like to see happen. We would all like to see lower interest rates. But we on this side know that you cannot just snap your fingers and make it happen.

The only way it can happen is if the fundamentals of the economy will support a lower level of interest rates. The extent of inflationary pressures that are in the economy today simply do not support that.

The hon. member is telling us to bring down interest rates in an unnatural way, stoke up the fires of inflation, go right back to what we had in 1982. If he is saying that his farm friends in Saskatchewan are saying they want to have the 20 per cent plus interest rates that we had in 1981–82, I think he is wrong. We do not support that. We are doing everything we can to get inflation down so we can get interest rates down in a permanent way, not the "pie in the sky way" that the hon. member would like to see us have.

[*Translation*]

GOODS AND SERVICES TAX

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance. On page 2 of its pre-budgetary brief to the Minister of Finance concerning the GST, the Canadian Federation of Independent Business states that the small grocery stores will be especially affected and will experience tremendous enforcement problems which will compell a great many of them to close.

How could the minister claim in his *Information for Convenience Stores* bulletin that the necessary paperwork will be kept at a minimum, when in his brief John Bullock says it will not? Who knows small business better, John Bullock or the Minister of Finance?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the hon. member is distorting what was said in that brochure. We have said right from the start that we are happy and are working with members of the small business community to address this concern. We understand the concern. We understand that they do not want to have any unnecessary complexities as a result of the GST.

We have said that there are two ways of simplified accounting, and that there are more ways of developing simplified accounting systems. We are quite happy to consider those ways to help those grocers and the retailers he talks about.

Over the course of this year we will have representatives from National Revenue, as my colleague, the Minister of National of Revenue has said, to meet on a one-on-one basis to help the members of the small business community understand what is required of them and how the GST will affect their purchasing and pricing so that they can have an easy transition into the new system and avoid the problems that we know they are concerned about. That is why we are going to this extent to solve those problems.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the minister talks about a simplified accounting system. How can he simplify an accounting system when, if you sell yogurt or pudding on an individual basis, it is taxable? If you sell the same products in a group or package, where there is more than one, then it is taxable. What kind of an accounting system does he believe a small cornerstore will need to meet his proposal? Why will the minister not withdraw the measure and make it simple for everybody?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I acknowledge that that is one of the difficult borderlines between what is basic groceries and what is taxable foods.

I do not think the hon. member would like to see us tax basic groceries, so we have to draw the borderline somewhere.

One of the objectives of the simplified accounting system is to allow the retailer to account for those without having to calculate each item on an individual basis as they go by his cash register. The purpose of the simplified accounting is so that he can step back and look at the over-all books of accounts and, in that way, have a much simpler way of calculating what tax is owing.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Finance. Dozens of protesters gathered in sub-zero temperatures in Brandon, Manitoba, yesterday to tell the Prime Minister exactly how they feel about the GST. Apparently the Prime Minister was not in any mood to listen. He and his entourage just sped by.

One protester was heard to say, "It is a crime that we elect these people, then we have to have demos like this to get our message across". The message is quite clear. They do not want the GST and they are fed up paying Tory taxes.

I want to ask the Minister of Finance today whether he can assure Canadians that come next week's Budget there will be no new taxes and no increases in existing taxes?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we acknowledge that there are people in the country who are opposed to the GST. We also know that

at the Prime Minister's dinner, there were 450 people who listened attentively to what he had to say about the GST.

As a result of the Prime Minister's speech, they realized the benefits of the GST and how it will improve our ability to export, and how it will put Canadian producers on a level playing field with importers. Importers now have one-third less tax to pay than the Canadian producers. Also, they learned how it will help the farm community by giving them a full rebate on tax on all farm inputs. These are the benefits that are going to be gained by various sectors in the economy.

I will always come back to the same point. I have listened carefully to what hon. members in the Liberal Party have to say about the GST. They are full of complaints, but they do not have one alternative. They do not know where to go. If we said today, "No GST", they would have their mouths absolutely wide open with nothing to say because they do not know what the alternatives are.

Some hon. members: Hear, hear!

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the minister says there were 450 at the meeting. Yes, but they were all carefully selected.

The Minister of Finance will be debating the GST with our finance critic in Edmonton on March 5, but the tickets are by invitation only and they are going to cost $100. That, to me, is an outrage.

• (1440)

I want to ask the finance minister whether he would consider attending another meeting in Edmonton the same day, where the admission price might be free so that ordinary Canadians do not feel locked out of the process and where they can put their questions and concerns directly to the finance minister? It seems to me that if the finance minister wants to elaborate on the GST this will be an excellent opportunity for him.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the thoughtfulness of the hon. member. He should know that that particular debate is going to be on national television. Surely that is going to give Canadians from coast to coast an opportunity to listen and see the nature of the debate.

Mr. Harvard: Another selected audience.

Mr. Wilson (Etobicoke Centre): Hon. members would like me to respond to questions. I have been on many, many open line shows, coast to coast. The week before I am going to be on three open line shows in British Columbia. I believe I am going to be on an open line show in Edmonton the same day as the debate on March 5. I am happy to do this on an ongoing basis because I have confidence that the GST is right for this country. It is going to put our country in a more competitive position. It will also avoid $2 billion worth of tax avoidance.

Now if the Liberal Party of Canada is in favour of $2 billion of tax avoidance, it is great to hear it because these are the things that we have been trying to stamp out for the last five and a half years, and we have been making good strides in doing so.

* * *

INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I met today with workers from Varta Batteries Investment Canada. Some 175 workers face job losses in Winnipeg because of the U.S. takeover and shutdown at Varta.

Investment Canada admitted that its review had not taken account of the spin-off job losses at Canada Medals and Reliance Plastics. I want to ask the Minister how he can possibly justify a decision which did not take into account these important points in terms of economic impact.

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, this particular company was losing substantial amounts of money and it was simply a case of their going bankrupt if we did not allow someone to purchase them. I suppose we could have nationalized them, but if that is what he is advocating we will take a look at it. The alternatives were very limited because of the financial situation of that company.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, the Manitoba government claimed that some workers from Winnipeg would be transferred as part of this takeover to the remaining St. Thomas plant which was going to be kept in operation. But this week we learned that 35 workers at the St. Thomas plant have also been given layoffs.

Why has the minister approved a takeover and a shutdown which has lost us one plant in the west and is losing us jobs here in Ontario? Is this not simply a case of

a company taking over a Canadian firm, shutting it down, piece by piece, in order to benefit from free trade?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I explained in answer to the hon. member's first question, the company was losing business.

I think the hon. member should be aware of the fact that during the 1980s, on average, 130,000 new corporations were created each year and 100,000 went out of business. Every year four million Canadians change jobs. The hon. member talked about 35 jobs in St. Thomas, and that is regrettable. But I am pleased that Freightliner is building a new factory in St. Thomas that will pick up that 35 and about 1,000 more. I think that on balance St. Thomas is well looked after.

The point is that change occurs. The New Democratic Party would like to stop all change. That is not wise. It is nonsensical.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The February 6, 1990 issue of the Val d'Or *L'Écho* newspaper referred to a statement made by Mr. Raymond Savoie, the Quebec Minister responsible for mining, and then added:

> The minister also confirmed the rumours to the effect that the PSEC would be phased out by 1991 because of budgetary cuts.

My question is this: Could the minister confirm that Minister Savoie consulted him or his department before announcing that the PSEC for mining exploration would be phased out by 1991 in Canada?

[*English*]

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot confirm anything relating to either conversations that have been alleged or that might have been mentioned in newspapers, or any speculation on any budgetary matter.

THE WORKFORCE

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Labour. Yesterday the Economic Council published its report, *Good Jobs, Bad Jobs*, in which it indicated that 70 per cent of Canadians are now employed in service industries and that there is a growing polarization between the good jobs and bad jobs in this sector, with the result that there is a declining middle-class in this country. The report said that this was due to the fact that between 1980 and 1988, half of the jobs created were part-time, temporary, low-paying jobs with low benefits.

When will the government implement the recommendations in this report to better protect these workers and to give them adequate compensation? When are we going to see some action in respect of this report?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am aware of the report which was tabled yesterday. We have started reviewing it. I am very pleased to inform the hon. member that the Minister of Employment and Immigration in her Labour Force Adjustment Program has forecast $100 million specifically for older workers to get retraining. If his friends in the other Chamber can let Bill C-21 go, we will have $800 million to retrain people in Canada, precisely to occupy these new jobs.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, Bill C-21 is not doing this in the way in which the Economic Council recommends. If the minister reads the report he will notice that the council states that the growth of these low-paying jobs is undermining the economic security of a significant and growing portion of the workforce. That is an alarming indictment of the government's policies in the employment and labour area.

Will the minister on behalf of the government make a commitment to report soon to this House what the government's response will be to this report, to deal with these workers, the one-half of Canadian workers who are being left out of this growing Canadian economy?

[*Translation*]

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I should like to tell once more to my hon. colleague from Notre-Dame-de-Grâce that this government has been involved for many years in setting up programs for preparing Canadian men and women in the labour force to occupy the jobs which exist now or will exist in the future in the new technological industries.

I suggest however that he would do a favour to the Canadian public generally if he managed to convince his non-elected colleagues in the other place to adopt as soon as possible Bill C-21 which is now before the House, thereby making available to us the money we need to provide Canadian men and women with the necessary training to fill up the new jobs of the 1990s and the 2000s.

* * *

• (1450)

[*English*]

ATLANTIC CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the minister responsible for the Atlantic Canada Opportunities Agency. Over the past few days the minister has been floating trial balloons about possible changes to the ACOA program. The last time the minister took such flights of fancy ACOA suffered a 20 per cent cut and its program criteria was dramatically altered.

Now that the minister has seen the error of his ways, will he give Atlantic Canadians an assurance that his so-called impending changes are not just code words for further gutting of the only regional development program in Atlantic Canada?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I received my colleague's letter yesterday, delivered to my office, in which he earnestly requested to be kept very closely informed about any such changes so that he could adequately respond. I will keep that in mind.

In so far as detrimental effects, I want to point out to the member again that in his constituency alone he has had over 600 jobs created under the auspices of ACOA, at estimated total costs of $42 million. I think that perhaps it would be in order for him to wait and see about the changes because ACOA is the best thing he and other members in Atlantic Canada have going.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I would like to thank the minister for his compliment about my competence as the member for Dartmouth.

I would like to read from the Conference Board of Canada report today which states:

> The Maritime provinces will have to weather a storm front of economic uncertainty as major problems in the fisheries adversely affect their economic performances in 1990 and 1991.

It has been confirmed that a part of the proposed fisheries assistance program will be delivered through the ACOA budget. But what we do not know is how much the program will cost or where the money is going to come from.

Will the minister confirm that any fisheries assistance program will be funded by additional new moneys, or is the minister finally admitting that the promised generous assistance is nothing more than a deceitful reshuffling of an already gutted and battered ACOA budget?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, it is disappointing to see that my colleague opposite has joined the legion of the perpetually indignant, Mr. Speaker. I can only say to him that the assistance that will be allocated to help the town of Canso and other disadvantaged areas in Atlantic Canada will be real assistance and whether he wants to quibble about old money or new money is up to him.

* * *

THE LUMBER INDUSTRY

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, in a recent article in *The Citizen* the Canadian Lumbermen's Association president has noted that the jobs hundreds of people across Canada who work at 40 distribution centres for the lumber area where wood is unloaded at warehouses and reloaded in different packages for American customers will be lost as a result of the goods and services tax. They say that to avoid the high cost of financing the tax the reload centres will just simply move across the border.

My question is for the Minister of Finance. Will the minister finally hear the cries of the lumber industry and Canadian workers and finally give the industry and the people of Canada a break?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is one of those industries that is a major beneficiary of the goods and services tax. The hon. member should realize that included today in the price of fuel, computers and telephones, of building materials, of office equipment, and a range of things are existing federal sales taxes.

As a result of the GST all of that sales tax will be removed from the costs. It will make industries more competitive. It will put them in a better position where that particular industry will be able to sell into their major market, the United States, in a much more competitive way than it can today. That is why the GST is going to create jobs. It will create more wealth for the province of British Columbia. That is why we are in favour of the GST.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is obvious that the Minister of Finance thinks that if he continues to tell a lie often enough, or tell his story often enough—

Some hon. members: Order!

Mr. Whittaker: —that finally the people of Canada will believe that story.

An Hon. Member: Order.

Mr. Whittaker: Mr. Speaker, the Canadian lumber industry is still reeling from the 15 per cent tax imposed on it for export to the United States. Will the minister recognize that even this industry does not want the GST? Will he axe the tax now?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure whether the member from Victoria was distracting you, but when a member says that I have been telling a lie many, many times, then at that stage I draw the line and say no answer to that type of question.

Mr. Speaker: I ask the hon. member to withdraw the remark.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, I would be most happy to. I tried to correct the error in my original summation by changing it to story. I am very pleased to withdraw the allegation that there was a lie by the minister. I withdraw that allegation.

* * *

CFB CHATHAM

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of National Defence. I would like to ask about the Tracadie at CFB Chatham. For several years now, negotiations have been under way between the federal government and the Province of New Brunswick for additional lands for the Tracadie range associated with CFB Chatham. What is the status of these negotiations at the present time? What will be the extent of the utilization of that land, and what is the environmental impact?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member asks several questions. In 1985, the Government of Canada started negotiations with the government of New Brunswick to use New Brunswick Crown land to provide low level air defence training. At the present time those discussions are going forward. At the present time there is a joint environmental impact study being done by the province and the federal government.

The land would be used less than 70 days a year for low level air defence training. The very important consideration is that unless that land can be provided by the government of New Brunswick, either at Tracadie, Kearns or Dungarvon there will not be an opportunity to have a low-level air defence training school in Chatham, and we will have to consider closing that base.

* * *

[*Translation*]

ECONOMIC DEVELOPMENT OF SOUTHWESTERN MONTREAL

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, my question is for the Minister of Labour. The minister knows that one of the major recommendations of the southwestern Montreal employment and economic recovery committee (CREESOM) was to favour local solutions and community organizations. The minister said recently, and I quote: "—it is not up to the federal

government to be in charge of Montreal's economic recovery; it must come from the community."

Can we conclude that his government accepts the philosophy of the CREESOM report and that the government will financially support RESO, the southwest Montreal local economic development corporation?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am pleased to repeat the answer I gave yesterday to a similar question: the CREESOM report was given to us in late December and we then told its authors that we would answer them by late February or early March, and that is what we intend to do in the next few weeks.

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, the minister's answer is disappointing. He must know that the people of southwest Montreal are eagerly waiting for the government's answer. I am not asking him to give exact figures; I am just asking him to confirm whether he accepts the basic philosophy of the report, which is to encourage community organizations and local solutions, because that seems to tie in with his own philosophy? Yes or no, does he accept this philosophy?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I will repeat it again.

[*English*]

I will repeat it in the other language to make sure that my hon. friend understands. We have said to the authors of this report that we will provide our answer by the end of February or beginning of March, and we intend to respect that deadline.

* * *

• (1500)

EXTERNAL AFFAIRS

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Now that the Open Skies Conference is over, we have seen the superpowers come to an agreement on troop reductions in Central Europe and we have had a first-hand experience of *glasnost* internationally, will the minister commit to conduct a reassessment of Canadian foreign policy?

Will that reassessment include and be accompanied by a new defence policy which will focus on Canada's role in the areas of arms control, disarmament and peacekeeping internationally?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the recent success of the Open Skies Conference is, among other things, an indication of the success of Canadian foreign policy.

Some hon. members: Hear, hear!

Mr. Clark (Yellowhead): That open skies proposal was very strongly and early endorsed by Canada. I think we can claim some of the credit for having persuaded the other 22 countries to gather here for the discussions.

I indicated in response to a question a couple of weeks ago in the House that we are in fact undertaking a fairly substantial review of our policy respecting Europe because of the dramatic impact upon Europe and the world of the changes occurring there. I undertook at the time to bring that report to the standing committee of the House of Commons. After I have had a chance to have it discussed by my colleagues in cabinet, I will do that.

Mr. Speaker: That closes off Question Period.

I understand that there may be some disposition in the House. Perhaps I could hear from the Hon. Minister of Justice.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been discussions among the parties and I think you would find that there is agreement in the House to revert to Statements by Ministers in order to allow for a statement on the twenty-fifth anniversary of the Canadian flag.

Mr. Speaker: That is the proposition being put forward by the Minister of Justice.

I must advise the House that I have received notice of certain questions of privilege. I am mindful of the rule that a question of privilege takes precedence over all other matters, but I want to assure those who have given me notice of questions of privilege that if consent is given, as the House leaders seem prepared to do, the questions of privilege will be heard immediately after the statements.

Is there agreement for the proposition of the Minister of Justice?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

STATEMENTS BY MINISTERS

TWENTY-FIFTH ANNIVERSARY OF THE CANADIAN FLAG

Hon. Gerry Weiner (Secretary of State of Canada and Minister of State (Multiculturalism and Citizenship)): Mr. Speaker, as I said at noon at the ceremony on Parliament Hill: In the life of a country, symbols are an important visual manifestation of a nation. They embody a feeling of identity, pride and harmony that transcends all divisions. They are a force that unites citizens as members of one big family.

[*English*]

Today we celebrate perhaps the most visible and beloved symbol of Canada, our national flag. As we mark the twenty-fifth anniversary of the distinctive maple leaf flag we can't help but think back to what we have accomplished together and the heights we have reached since 1965 when the new flag was first raised over Parliament Hill.

The maple leaf flag will always symbolize a united and confident bilingual and multicultural nation at home and around the world.

[*Translation*]

Today, as we celebrate the historic anniversary of our flag, we celebrate our citizenship and our pride in belonging to a country that we cherish. Canadians from Newfoundland to British Columbia love their country in ways as diverse as their geography and often uniquely personal.

Let us celebrate today the anniversary of this flag that is a matter of personal and common pride, and let us keep building a just and compassionate society that can be a model to the world.

[*English*]

I urge all hon. members to join me in saluting our Canadian flag and the country for which it stands.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, first of all I would like to thank the new Leader of the Opposition for allowing me to take his place temporarily on this occasion.

Those of us in the Official Opposition who 25 years ago were on the government side and who followed this debate with great diligence cannot but rejoice in today's great celebration.

[*English*]

We all met earlier this morning a lot of young Canadians. They could not believe that we had a debate. Yes, Mr. Speaker, we had a long debate, a very long and very difficult debate. At long last we agreed with each other; agreed to disagree maybe, but at long last we gave Canada and Canadians a new Canadian flag.

A very few days after the debate was over, Canadians from every region and province of the country, as well as people from outside Canada, accepted what is so natural for a country—to have its own symbol.

[*Translation*]

—a symbol of pride. A symbol of pride is always something that does not denigrate others but gives us who call ourselves Canadians a symbol of our belonging to a country. And that is our flag, the Canadian flag!

On behalf of my party, on behalf of all my colleagues, and on behalf of three members who survived that time, the Right Hon. John N. Turner, the Hon. Herb Gray, our new Opposition Leader, my new Opposition Leader—

[*English*]

On behalf of my new leader and on my own behalf I want to say that it is a great day for us to celebrate 25 years.

We know that 25 years later we are going into some other debate, but we know that people of good faith will find a solution for Canada.

I could not conclude and take my seat without at least giving an extract of a speech that taught me what politicians should be: people of courage. I was very honoured as a young, new parliamentarian to be invited by the right hon. Mr. Pearson to go with him to Winnipeg—yes, Winnipeg—for an address by him as Prime Minister to the Twentieth Dominion Convention

of the Royal Canadian Legion at the Capital Theatre on Sunday, May 17, 1964.

It was for me an event that I will never forget. It is a lesson I will teach young Canadians, that when you have strong beliefs you must express them. Mr. Pearson did not choose to go to Quebec City where it would have been very well received and highly popular to say: "We have a new Canadian flag". No, he chose the place where he knew they were the most reluctant.

If you watched TV last night, you will know that he was completely booed by the attendees. I think there was Mrs. Pearson, Mary Macdonald his secretary, myself, and a couple of people somewhere who applauded. You saw that on TV last night. Yet, a few days later he started the debate.

• (1510)

I would like all of us to reflect on this quote in these so-called difficult times that our country is going through on another issue. He said: "We who are elected to serve Canada in Parliament owe all those who elect us more than the advocacy of non-controversial ideas. We owe Canada our best judgment and we fail Canada if we fail to exercise that judgment or if we pass our responsibility for judgment back to the electorate who send us to Parliament."

I would like us to reflect on that. I would like to pay tribute to the right hon. Mr. Pearson and to all those who accepted that it was in the best interest of Canada at that time, since today we all agree that it was the right decision. Young Canadians from all parts of Canada are proud.

[*Translation*]

Just travel across Canada, in all our provinces, and you will see the pride of our young people when they show they are Canadians by waving the Canadian flag.

Thank you for this occasion! I say to young Canadians: Do not lose hope. We have a great country to build, a country that is growing every day. We will keep building it, but we must not abandon our youth which was our hope, 25 years ago, when we chose this flag.

Some hon. members: Hear, hear.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today we celebrate together the twenty-fifth anniversary of the raising of the first national flag of Canada, the Canadian maple leaf flag.

As we stood today in front of the Peace Tower in a bitterly cold blizzard, I recalled the tremendous struggles and the many achievements of the people who have gone before us to build this great nation from sea to sea to sea: the aboriginal peoples who have protected this land from its beginnings; the explorers and early settlers in Upper and Lower Canada who spoke English and French; the Fathers of Confederation who met in Charlottetown; the influx of the European immigrants who homesteaded and settled the west; the Chinese workers who built our railroads and the many immigrants who joined them to settle in B.C. Our country and horizons expanded as Newfoundland joined the Canadian family and our appreciation grew with the vast and exciting northern territories.

Many of the pioneers in our history books are men, but the women who also homesteaded raised large families, suffered loneliness and hardship and often died young. They also are the heroines of our history.

My thoughts as we faced the blizzard also went back to my own first experience overseas as a Red Cross worker with Commonwealth forces in Japan and Korea. The maple leaf flag was our rallying point, and we were one Canadian family regardless of our home province or language.

When we travel away from home we realize how fortunate we are to be Canadians and live in a land that is so vast and beautiful and resourceful. We give out our flag pins proudly and usually receive a warm response around the world.

As we stood in the snow today, the hon. Stanley Knowles reminded me of the bitterness and partisanship that preceded the final acceptance of our red maple leaf flag 25 years ago. I could not help but think that watching high over us silently from his permanent place on the Hill was the Leader of the Opposition of that day. I wondered what he was thinking as he looked down on today's proceedings.

Our flag is our symbol of Canada. It symbolizes our love for this beautiful multicultural country and our distinctive Canadian values. We pass on this flag to our

children to symbolize unity and peace and respect for our varied peoples and varied regions. We want it to fly over a land whose beauty and richness will be protected, to be enjoyed by future generations.

[*Translation*]

We are Canadians!

Some hon. members: Hear, hear.

* * *

[*English*]

PRIVILEGE

STANDING COMMITTEE ON FINANCE

Mr. Speaker: On a question of privilege, the hon. member for Nickel Belt.

Mr. Gauthier: A point of order, Mr. Speaker—

Mr. Speaker: I indicated that those who had questions of privilege put them aside on the clear undertaking that I would hear them immediately after the tributes to the flag. I think I am bound by that.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on a question of privilege of which I have given you notice. It arises out of a meeting of the finance committee this morning. With your indulgence, Mr. Speaker, I would like to present the evidence, very briefly, for why I think there is reason to rule that there is a *prima facie* case of a breach of my privileges as a member of Parliament.

This morning the finance committee met to consider Bill C-62, the proposed GST legislation. At the sound of the gavel the chair of the committee, the member for Mississauga South, recognized the member for Edmonton Northwest, who moved that we go immediately to orders of the day.

At this point my colleague, the member for Esquimalt—Juan de Fuca, and myself protested. We called for points of order and, when these were ignored, I asked to be recognized on a question of privilege. I tried to get the chair's attention but the chair ignored my request to be recognized on a question of privilege. Instead, the chair moved to a clause by clause examination of the bill.

I continued to protest and the chair then asked one of the clerks of the committee to get the Sergeant-at-Arms to have me removed from the committee. I am not privy to what the clerk told the chair, but the request was not carried through and the chair then suspended the meeting for a break. After a 15-minute break, the chair reconvened the committee and I asked to be recognized on a question of privilege. Again the chair refused to recognize me and said that he had something to say and adjourned the meeting.

I feel that my privileges have been breached on two counts. First, Standing Order 48(1) states:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

According to Beauchesne's Fifth Edition, Citation 81:

> By its nature, a question of privilege is of such importance that it may be raised at any time and S. O. 17—

Standing Order 48 as well.

> —makes provision for the precedence of a question of privilege over all other business of the House. A question of privilege arising out of proceedings in the Chamber, during the course of a sitting, may be raised without notice.

I think my privileges as a member were breached on numerous occasions as the chair of the finance committee refused to recognize me when I asked to raise a question of privilege. Second, the chair of the committee threatened to have me removed from the finance committee without having the power to do so. I cite Standing Order 117 which states:

> The Chairman of a standing, special or legislative committee shall maintain order in the committee, deciding all questions of order subject to an appeal to the committee; but disorder in a committee can only be censured by the House, on receiving report thereof.

And Beauchesne's, Citation 609, states:

> A committee has no authority to punish one of its members or other person for an offence committed against it, as by disorderly words or contemptuous conduct; for example, when a witness refuses to testify, or prevaricates. The committee may only report such offences to the House for its censure.

I think the chair did not have the power to threaten to have me removed. That is a decision that could only be decided by an appeal to the House, and only the House can censure me.

In conclusion, the bill that was before the committee is one of the most sensitive that has come before this House and this country. With the extensive use of closure, committees are one of the few places left where members of Parliament can call the government's actions into account. Even this is now being undermined by

the authoritarian actions of the chair of the finance committee.

I know, Mr. Speaker, that you have often said in the past that what goes on in committee is the committee's business, but if a member of Parliament cannot appeal to the highest Chair in Parliament, where does he seek justice if he cannot get it from the chair of the committee of which he is legally a member?

I humbly submit then that there is evidence of a *prima facie* breach of my privileges and that the matter be referred to the Standing Committee on Elections and Privileges.

Mr. Speaker: The hon. member for Gloucester also has a question of privilege. It seems to be very much on the same point. It might be better that I hear his point before hearing any response.

• (1520)

Mr. Douglas Young (Gloucester): Mr. Speaker, I will be very brief. My point of privilege, as I indicated under Standing Order 42, is based on the fact that this morning we were convened to a meeting of the Standing Committee on Finance to deal with matters referred to us by this House.

I want to explain that under normal circumstances when a meeting is convened, as it was, for the hour of 9.30 a.m. we should be there. The events of this morning that have been described in some part by my colleague from Nickel Belt took place without my being present, and I want to explain why I believe there is a question of privilege involved.

This morning the West Block of the Hill was very much a buzz of activity as a result of His Excellency, the Secretary of External Affairs of the Soviet Union being present in that building to address another committee. I left a meeting being held at the Centre Block and walked over to the building. It was difficult, and understandably so, to get access to the committee room. I arrived at 27 minutes before ten o'clock. I see my hon. friends who cooked up the scheme that they were part of this morning shaking their heads. Most of the time they are not there at all, much less on time.

We walked in and already the event described by my hon. colleague who raised the question of privilege had taken place. I do not want to comment on the events that took place this morning as it applies to the question of privilege raised by hon. friend, but certainly it seems to me that, in keeping with the traditions and customs of this place, it was not necessary, although the activities that took place yesterday may have caused some embarrassment to members of government, to try to push through the reading of a certain number of clauses in the legislation that had been referred to us.

I am suggesting that even if the government is exasperated with the activities of certain members, it still seems to me that given the situation of what was going on in the West Block this morning and the difficulty that we had to arrive there, it was not courteous to members of this House that we had to play the political games that were being played there this morning.

I humbly suggest that my privileges as a member were breached by the lack of understanding exhibited by the committee at the time, by convening it at 9.30 a.m. and by concluding its activity minutes later.

When I did arrive, the Chairman of the Standing Committee on Finance indicated that there had been some deliberations take place of a very, very short nature and that the meeting was adjourned to the call of the chair.

Given the fact that members are in different parts of the complex here, whether at the Wellington Building, Confederation Building, Centre Block, or West Block, it seems to me that we do need to respect the rights of members of this place. Functioning on a committee such as the Standing Committee on Finance requires a great deal of time and a great deal of effort. It does not serve the purpose of this House, when it refers matters of such importance as the goods and services tax to the committee, that these kinds of things take place.

I respectfully submit to you, Mr. Speaker, that in operating as they did this morning in that committee my privileges and the privileges of my colleagues, the Liberal members of the finance committee, were breached. I bring to the attention of the Chair and to the Chairman of the Standing Committee on Finance that if we are going to deal in a meaningful and constructive way with important measures that are brought before us, we might want to start to behave the way I think most Canadians expect parliamentarians to behave in such circumstances.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I will be very brief on my question of privilege. I do not wish to repeat what my colleagues have said. I do regret, though, that the meeting was called so abruptly without giving all members time to be there. I know the Liberal members made a valiant attempt to be there but something else took place.

My concern is about the public right to be heard which is a debate between the parties. My concern is about a member's right to be heard. We can have fights in committee, Mr. Speaker. I know how difficult this is for you, and I know you will rule on this.

My particular area of concern was the threat to my colleague, and implied to myself, that if we did not shut up we would be thrown out of the committee. I tried to raise a point of order on that threat, suggesting to the chair of the committee that he had no such authority to do such a thing and, second, that he had no such authority to threaten.

I am not frighten of threats and my colleague is not frightened of threats, but they have no place in that committee. To suggest that bullying from the chair is a method of conducting the business of this House is grossly mistaken and against all the traditions of Parliament.

That is why I am taking this opportunity to raise it on privilege. I refuse to be threatened by anybody and this House shall make judgments on the behaviour of members, no other member, regardless of what situation. I just wanted to point that out.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am a bit surprised that my friends from the New Democratic Party would raise the issue in this Chamber the way they have this afternoon, particularly after the way they were put on the committee yesterday and spent the whole day arguing a motion, refusing to allow the motion to come to a vote.

However, I did talk to parliamentary counsel, I did get the advice of my clerk and my deputy clerk, and I was advised that a motion to move to orders of the day was appropriate. The motion was made to move to the orders of the day. I called for a vote on that motion and that motion was carried.

There was no request for a poll and I proceeded to call clause by clause. I called Clause 1 on the order of the day. I asked for a vote on Clause 1. There was no contrary on Clause 1, and I called Clause 1 carried. And the same occurred with every clause to Clause 11. At Clause 12 one of the members, the vice-chairman, asked that Clause 12 be deferred. There was no comment from the other side about the clause.

We went then to Clause 13 and Clause 13 was carried, again in the same fashion, and Clause 14 and Clause 15 and Clause 16 and Clause 17.

Mr. Rodriguez: That's not the truth.

Mr. Blenkarn: I then suspended the hearings of the committee to see what we could do to work out something. All of the time my colleagues from the New Democratic Party were screaming, yelling, pointing, and standing up almost on their chairs. I did speak to my clerk about how to retain order. He said that I would have to report so I said we would go ahead with clause by clause. We did so.

I think I have followed the requirements of this House. I have run this committee, as you know, Mr. Speaker, as chairman, elected unanimously at every occasion for the past five years. I have enjoyed the support of the regular members of the committee, but I must say that when new members are suddenly imposed in a committee without knowledge of the committee's background sometimes things do not work in the normal fashion.

The committee did have a complete meeting lined up to analyse the way we would proceed, and we proceeded agreeably with the permanent members of the committee, but when we came to public hearings the matter was altered accordingly.

I must say the witnesses who were called for the day were all there. There was a quorum of the committee there. Unfortunately, Liberal members did not show up in time.

Mr. Speaker: I have listened very carefully to three members who have raised the question of privilege and I have listened to the chairman of the committee. I also have here a transcript of the proceedings.

I am going to do an unusual thing. I am going to reserve on this matter and I will return to the Chamber as quickly as possible. I do not think there is any need for me to hear further argument. I have the point and I also have the transcript, and I will return to the House as soon as is appropriate.

• (1530)

Mr. Skelly (North Island—Powell River): Mr. Speaker, I too attempted to attend the finance committee this morning on time. I arrived and the door was locked.

Mr. Speaker: I am sorry. I have already given this an extensive hearing. My usual ruling would be that it is completely improper for the Chair to consider what goes on inside the committee. I have listened carefully to what has been said. I am going to consider it. I am going to look at it. I do not need to hear any further comment. I have the transcript and I hope the hon. member will co-operate with me.

Mr. Skelly (Northern Island—Powell River): Mr. Speaker, if I might for one minute—

Some hon. members: No.

Mr. Speaker: If the hon. member has another point of privilege, I would ask him to bring it to my attention.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this being Thursday, I would like to ask the government House leader what business he will bring to the attention of this House today, tomorrow, Monday, Tuesday and Wednesday, if he can.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, this afternoon we will begin debate on the Prime Minister's motion respecting linguistic duality, Meech Lake and the Official Languages Act.

I would like to indicate now that the government is prepared to extend hours this evening with the provision that there be no dilatory motions in order to allow as many members as possible to speak on the motion, and with the proviso that when the last speaker seeks the floor, has it and then sits down, that the debate would automatically be adjourned until tomorrow. There would be no vote obviously.

We would also call the motion for debate tomorrow and again on Monday. I would make the same offer on behalf of the government with respect to debate on Monday, that in order that as many speakers as possible from all three parties may be heard, that we extend the sitting in the evening on the basis that there be no dilatory motions and no vote.

If that does happen, by the end of the evening on Monday we would be in a position to determine just how much time is needed to continue the debate and we could fix a vote at a time which (a) has enough notice as possible for all members; and, (b) is at a time convenient to the members. I would suggest, perhaps, some time Wednesday or Thursday.

I have not settled on business for Tuesday morning at this time, nor Tuesday afternoon. But at 4.30 p.m., we have the budget presentation of the Minister of Finance. The House and the members will know that it is important that we have a fixed time for this statement by the Minister of Finance. We will be presenting the usual motion to the House tomorrow to tie down all the details on that.

Wednesday would be day one of the budget debate. Thursday would be day two. Normally there would be a vote on the NDP subamendment on Thursday at 5.45 p.m. if in fact they feel they have to amend the budget statement.

I would also indicate to the House that the Main Estimates for the 1990-1991 fiscal year will be tabled next Thursday, February 22.

[*Translation*]

Mr. Gauthier: Mr. Speaker, it is pretty vague as far as Tuesday is concerned. I would ask the Leader of the Government in the House of Commons to be more specific about the business for Tuesday. It is very important for us to know what he intends to do on Tuesday. He said that tomorrow we might have more details, but I would like to know about the day the Budget is brought down and whether he will tell us what the business of the House will be for that day. We have to know.

[*English*]

Mr. Lewis: Mr. Speaker, I appreciate that. I will have my office get in touch with my hon. friend. As I said, we may continue the debate on the motion. In any event, I can assure my friend because all members want to be *au courant* on the affairs of the budget and be in a position to comment to their constituents as soon as possible. The business of Tuesday morning and Tuesday after Question Period will be of such a nature that it should not cause great difficulty to the people who will be involved in the lock-up and that type of business. We will make sure we

coordinate with the other two offices to see that we have something that is convenient.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I appreciate the House leader for the government providing us with the agenda for the next few days. It is not clear to me yet about the additional hours today and additional hours again on Monday to allow all members a chance to participate in the debate. How long will those extended sittings be? He then made reference to a vote that may take place. Since the government has introduced the motion, I am assuming they are in support of it unanimously.

My friend, the House leader for the Official Opposition, has indicated its intention to support the motion. We have indicated our intention to support the motion. Right now we presume it has unanimous support of the House of Commons. Normally we would have discussions as to the details. Are we just going to leave it open-ended in terms of how late we go in the evenings and when the vote may take place, if there is a need for it? It seems to be a rather awkward and peculiar way to arrange the business of the House.

Mr. Lewis: Mr. Speaker, discussions did take place among the House leaders *vis-à-vis* the extended hours and they are exactly as I related them on the floor of the House just a minute ago. The debate will continue tonight with 20 minute speeches until such time as the last person speaks. When the last member is finishing speaking we would simply adjourn until tomorrow. That same arrangement would take place on Monday.

Mr. Gauthier: Mr. Speaker, I apologize that this is a long debate and for negotiating on the floor of the House, but I have not given my consent to sit tonight at all. I do not want the minister to think for one moment that we want to extend or prolong this debate indefinitely. I have told you, Mr. Speaker, and I have told the members of this House and the people of Canada that we are supporting this resolution, but we would like to have some order. We are asking the minister what time does he have in mind for ending the debate so that people can be here to vote and approve this motion? That is what we are trying to do.

Mr. Riis: Mr. Speaker, my question to the government House leader is the same. He is indicating that the government for some peculiar reason wishes to have a vote on something that we all unanimously support, but he does not say when the vote will take place. He leaves some open-ended arrangement. Could he be explicit as to when the vote will take place on this resolution?

Mr. Lewis: Mr. Speaker, I can be very explicit on when the vote will take place: with enough notice that every member will have an opportunity to be here and vote.

Mr. Gauthier: No way. That's nonsense.

The Acting Speaker (Mr. Paproski): We have had enough negotiations. I think what the House leaders should do is have their negotiations and we should carry on with Orders of the Day.

I wish to inform the House that because of the ministerial statement, Government Orders will be extended 12 minutes, therefore, Private Members' Business will begin at 5.12 o'clock p.m.

GOVERNMENT ORDERS

[*English*]

OFFICIAL LANGUAGES

LINGUISTIC DUALITY

Right Hon. Brian Mulroney (Prime Minister) moved:

That this House reaffirm its commitment to support, protect and promote linguistic duality in Canada, as reflected by this House in the Constitution Amendment, 1987 and the Official Languages Act, 1988.

He said: Mr. Speaker, I rise on this, the twenty-fifth anniversary of the Canadian flag, the universal symbol of Canada, to speak of national unity and linguistic duality.

Just before I do, Mr. Speaker, I think it appropriate that all members of the House on an occasion like this recognize the presence and participation of those members who were here a quarter of a century ago and who participated in that historic debate. I think it would probably be appropriate as well if I took the liberty of paying a special tribute to the Prime Minister of Canada at that time, the Right Hon. Lester Pearson, who was responsible for managing the debate, conducting it and for the tremendous result that we see flying over the Parliament Buildings today.

Some hon. members: Hear, hear!

• (1540)

Mr. Mulroney: Mr. Speaker, I understand that that debate was not unanimous, which is a sort of break with the tradition we have known here for a number of years in the House. Every Parliament since Confederation has had to confront the question of Canada's linguistic duality. The members of every Parliament have had to stand up and declare themselves on this very fundamental issue.

These debates are in fact sometimes painful and divisive. But they have also given this country some of its finest moments in this the highest court of the land.

[*Translation*]

In 1969, the Hon. Robert Stanfield and the late David Lewis stood with Prime Minister Trudeau on the Official Languages Act; in 1973, they did so again, on a resolution of this House reaffirming linguistic duality.

In 1983 and 1984, Mr. Broadbent and I, together with the Trudeau government, supported the rights of the francophone minority in Manitoba when the Prime Minister of Canada presented a similar motion to this House.

In 1987, Mr. Turner and Mr. Broadbent stood with me in support of the Meech Lake Accord. In 1988, they did so again in passing Bill C-72, the new Official Languages Act.

It is in this spirit of co-operation that I have the honour to present this resolution before the House today for your consideration and for a debate which will no doubt be true to the great traditions of our Parliament on the most burning current issues, as in decades past.

[*English*]

It is time for all of us to stand up for Canada again because in recent days we have witnessed regrettable denials of some of Canada's fundamental values. Debate over language has been almost as frequent and fundamental a characteristic as the history of Canada's duality itself. But, with tolerance and respect for one another, we have built a country that has not simply acknowledged its own diversity but thrived on it.

Confederation was the coming together of English and French-speaking Canadians whom Wilfrid Laurier was later to characterize as the "marble and the oak" of this remarkable home that we now call Canada.

The Fathers of Confederation never suggested in 1867 that building a country in which English and French would both be spoken would in any way or at any time be easy. In fact, they often referred to the difficulties that they knew awaited successive generations of Canadians. They called upon them even then for the foresight, the openness and the tolerance that would be required to bring this great Canadian experiment forward and to enrich it generation after generation. They also understood that this was a fundamental characteristic of the new nation that they were building for a people searching for a new home from countries around the world.

Sir John A. Macdonald said in the Confederation debates in respect of the concept of duality, to paraphrase him in that particular debate in February 1865, 125 years ago just about today, he acknowledged that the easiest and the most efficient way to run Canada would be with a unitary state with one language. He acknowledged that that brought with it great advantages. But as he indicated, the only problem with it is that it would not work. If you adopted that view, there would be no Canada because, as he said, "any proposition which involved the absorption of the individuality of Lower Canada, Quebec at the time, would not be received with favour by her people".

In 1865 he was speaking of the notion of individuality of Lower Canada. Today, the same fundamental meaning finds usage in the word "distinct". It is as true today as it was when Sir John A. Macdonald and Etienne Cartier began the nation-building work of binding this country together with their own hands.

That duality was something that just did not happen. It was acknowledged, reflected upon and deemed by everyone involved as absolutely indispensable, not only to the functioning of Canada, but to the existence of Canada. Macdonald acknowledged time and time again that Canada could not come together without a fundamental acknowledgement of that linguistic duality.

That duality was enriched and strengthened over decades by wave after wave of immigrants from eastern Europe, central Europe and elsewhere, who caused the prairies to bloom and the sovereignty of Canada to extend to the farthest reaches of this continent. It is a safe statement to make today when I say that if Canada as we know it was begun essentially by Scottish Protestants from Ontario and French Catholics from Quebec,

it has been immeasurably enriched by people from every country of the world who have now made of Canada a truly modern, tolerant society.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Mulroney: Mr. Speaker, few subjects have so aroused public opinion and stirred such individual passions as the debates over language.

But some of the finest chapters in our history were written by those who made the voice of reason prevail, who made tolerance triumph and who wrought the necessary accommodations.

[*English*]

Linguistic duality and the protection of minority language rights are not abstract concepts. They are given life by legislative enactments such as the Official Languages Act. They are given permanence and protection by the Constitution and they are given meaning by the national will of a generous and a tolerant people.

[*Translation*]

The rejection of minorities is an attack on the nature of Canada. When language becomes a motive for exclusion and fear, it is time for all Canadians who love their country to speak up and speak out.

There is no place in Canada for intolerance—although no one would suggest that Canada, or any other country, is absolutely free from it.

The resolution now before the House is an opportunity for all members to speak up and speak out, again, for what is best about Canada.

It is an opportunity to send an absolutely unequivocal message, again, of unity and mutual respect.

The issue before us is not bilingualism or even, despite claims to the contrary, the expense of bilingualism.

The issue before us is simple and important—the will of English- and French-speaking Canadians to continue to live together with mutual respect and fraternity, while honouring our original undertakings to each other and to the whole nation.

[*English*]

It is time to refer back to some of our fundamental values and I think it is also time to try to put this entire issue in some perspective. This is not the first time nor will it be the last time that there have been misconceptions and misrepresentations on the government's policies regarding official languages.

This is not the first time nor will it be the last that certain voices have been heard alleging that the policy constitutes enforced bilingualism. Something is being "rammed down people's throats". Surely that phrase and that expression had to arise in Canada. Only in a country this prosperous and this magnificent would people have the time to worry about expressions like that. Nothing is being forced down anybody's throat, although the concept of enforced bilingualism or a double standard, one for Quebec and another for the rest of the country, has been alleged in this country from the days of the Confederation debates. There have always been voices, fortunately few and far between. But there have always been voices who have tried to trade on this kind of falsehood and distortion that fortunately has been repudiated time and time and time again by this Parliament, regardless of its composition and regardless of the government that happened to be sitting at the right of the Speaker.

• (1550)

There is no better way to bury these damaging misunderstandings than to recall the words of one of the original architects of the original Official Languages Act. In 1974, the Hon. Gerard Pelletier, then Minister of Communications, spoke as follows, and I quote:

> —some people were surprised recently by my statement favouring the promotion of an intensely French Quebec. They thought they saw a contradiction with the federal government's official languages policy. But the efforts of the federal government in linguistic matters has always been subjected to the most absurd interpretations, the most frequent being that the ultimate objective of the Official Languages Act is to make each and every Canadian citizen bilingual. The facts are diametrically opposed to this fable: one of the effects of

this law is to permit anyone to remain unilingual, if that is his wish, in all of his relations with the Government of Canada.

If you want to be bilingual, terrific. If you want to remain unilingual and deal with the Government of Canada, the law was designed in such a way as to make sure that both sides of this great national debate and these two perceptions could be accommodated equally.

What is more appropriate for a country that values its linguistic duality and protects its linguistic minorities in an imperfect nation such as ours? While we have many advantages and many accomplishments, our imperfections show every day of the week. What would be more appropriate than to proceed on a sensitive and delicate issue along the lines that Mr. Pelletier suggested in 1974.

[*Translation*]

It is time, Mr. Speaker, to remind ourselves what it is like to be a minority and to treat minorities with the same tolerance and generosity of spirit that we would want to be treated with, if our situations were reversed.

[*English*]

How else would you treat a minority, except to ask yourselves what would it be like to be a minority and to treat the minority in exactly the same way that you would want you and your family to be treated if the situation were reversed. Surely that is a fundamental concept of social justice in this country.

Some hon. members: Hear, hear!

Mr. Mulroney: While we happen to be talking about linguistic minorities, the principle holds true for visible minorities and every minority in Canada who is entitled to be treated with justice and equity and equality at all times and in all circumstances in this country of Canada.

[*Translation*]

It is just these values of tolerance and generosity that will help us face an increasingly competitive and interdependent world.

Mr. Speaker, it is such an obvious advantage, and not a handicap, for Canada to speak the world's two leading languages. Our competitors in Europe often speak three languages fluently and four or even five quite well. Today some Canadians say they are disadvantaged because they want to preserve the integrity of one language. But please, never prevent our young people from learning two languages, because that enriches the whole nation.

Some hon. members: Hear, hear.

Mr. Mulroney: Linguistic duality lies at the foundation of our country and must be constantly preserved and promoted if we are to progress as a nation.

The British North America Act established rights and obligations respecting the use of English and French in Parliament, the Quebec Legislative Assembly and all the courts of Canada and Quebec.

Three years later, these same rights and obligations were extended to the new province of Manitoba.

Section 94 of the BNA Act provided that Parliament could make provision for the uniformity of court procedure in Ontario, New Brunswick and Nova Scotia—but not for Quebec whose system of civil law was distinct.

English and French were entrenched as the official languages of New Brunswick in 1982.

In 1988, we adopted a new Official Languages Act to bring our fundamental language law into line with the Charter of Rights and Freedoms.

In adopting the Official Languages Act in 1969, Parliament had recognized the importance of our linguistic duality. But the 1969 Act, in spite of its achievements, had other shortcomings because it focused on the individual's right to obtain services from the government, not on the vitality of minority communities—and thus was not able to halt the erosion of minorities throughout Canada.

The lesson we have learned over the past twenty years is that the strength of the community is critical and must be fostered if linguistic minorities across Canada are to retain their vitality. This is what inspired the major changes supported by all, or almost all, members of this House barely a year and a half ago.

That is why we gave a community orientation to our official languages policy when we adopted the new Official Languages Act.

[*English*]

Alliance Quebec said in respect of precisely that initiative, Alliance Quebec representing effectively and well the interests of the English-speaking minority in the province of Quebec, and I quote:

> —the legislation adopted by the House of Commons represents a significant act of leadership by the federal government—We particularly welcome the Government of Canada's eloquent commitment, contained in the preamble of Bill C-72: "—to enhancing the vitality and supporting the development of English and French linguistic minority communities—".

[*Translation*]

The *Fédération des francophones hors Québec* said:

> We support this new and improved legislation which is a very important development tool for francophones outside Quebec.

The House of Commons of Canada and the three main parties that sit here in the House have been presented with a problem; they have dealt with a solid major piece of legislation, which was endorsed by almost all hon. members. This is to the credit of the House and all hon. members who sit there.

[*English*]

The federal government has been active over the past years in promoting linguistic minorities. We give considerable financial help to provincial governments to provide minority language education and second language education training and facilities. We assist provinces to make possible a wide, indeed a vast range and array of other provincial services to minority language communities.

• (1600)

In 1988, for example, we signed agreements with the Saskatchewan government to give the Fransaskois greater control over the education of their children.

We entered into an agreement with Prince Edward Island on services in French, and another on a school and community centre in Charlottetown.

We concluded a Memorandum of Understanding with Nova Scotia on the College de l'Acadie.

We reached agreements with New Brunswick on school community centres which provide a focal point for the education and cultural activities of the minority community.

We arrived at a framework agreement with Ontario on the promotion of official languages. In 1989, we signed an agreement with Ontario on a Francophone college network, something that the French-speaking Canadians in the province of Ontario had requested for decades.

In co-operation with the government of the province of Ontario I was delighted that this Parliament and this government were able to finally meet an historic need which helps build Canadian unity and which represents the very best elements of our society which must be encouraged if Canadian unity is going to be strengthened.

Some hon. members: Hear, hear!

Mr. Mulroney: We concluded an agreement with the Yukon on French language services.

We entered into an agreement with the province of Quebec, a very important and substantial agreement, on the provision of health and social services to the English-speaking population of that province. On February 2, this year, we signed an agreement with Quebec on official languages and education.

As one can see, there is symmetry and there is balance. There is fairness. There is not a double standard by this Parliament in respect of the application of bilingualism, or in the application of the official languages law. There are imperfections, obviously. But each and every member of this House seeks to eliminate and minimize those imperfections and from time to time as we proceed with improvements and amendments we make it better. When we make it better, we make life a little better for minority communities across Canada.

That, surely, is the principal objective of a sensitive and thoughtful approach to bilingualism and to the fundamental rights and values of minority language communities across this country. They must be able to turn to the Parliament of Canada when in moments of difficulty; and the Parliament of Canada should be able to respond with as much generosity and leadership as this country is capable of.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Mulroney: Mr. Speaker, while we have made important progress over the years to uphold this fundamental characteristic of our nationhood, our history has

been marred by troubling and divisive linguistic disputes. We will not tell each other scare stories. These events did not just begin a few weeks ago, in northern Ontario. One has only to recall the controversy over the closing of Catholic schools in Manitoba in 1890, Regulation 17 in Ontario in 1912, which had a devastating effect on that province's francophone community, and the *Gens de l'Air* dispute of 1976.

In 1905, Prime Minister Sir Wilfrid Laurier decided that language rights in Alberta and Saskatchewan, in contrast to the situation in Quebec and Manitoba at that time, should not be entrenched in the Constitution but rather left within provincial legislative jurisdiction.

It was, Mr. Speaker, therefore open to Alberta and Saskatchewan in 1988 to override a Supreme Court decision and abolish certain language rights and obligations that they had inherited from the Northwest Territories.

[*English*]

But in 1981, another significant decision was taken, obviously not with this in mind. No one can foresee the future with accuracy, but another significant decision was taken. It was to entrench in the Constitution a notwithstanding clause which permits legislatures to override many of the basic rights and freedoms of Canadians. Because of that clause it was open to Quebec, in enacting Bill C-178 respecting external, commercial signs in 1988, to override freedom of expression provisions of the Canadian Charter.

In all three cases the provincial legislatures used existing powers to limit rights that had been confirmed by the Supreme Court of Canada. In each case the government and, I suppose, most if not all members of the House of Commons and I personally deeply deplore the actions taken. But as has happened over history, it is now left for another day to try and remedy the situation and improve upon minority rights and the status and the state of our bilingual nation and all of the challenges and opportunities it gives to all of us.

We need today through our attitudes, our statements and our actions to arrest this trend and to return to the fundamental concepts as best we can that built this nation.

[*Translation*]

Our country, which at various times in its history was thought to have been weakened by division and misunderstanding, was in fact strengthened by the common will which always arose at such times to overcome these threats to our unity. The forces of reason, fairness and generosity must again be mobilized. Let us do so always keeping in mind the future of young Canadians, our children. Our greatest responsibility is to leave them the united and prosperous country which our parents dreamed for us.

[*English*]

If there is an obligation, perhaps in a pyramid of obligations in this regard, that takes a predominant place, of all the obligations that we have, and we have many, surely few can be more compelling than to make sure as best we can that this country which we did not build—it was built for us, it was given to us—this magnificent, wealthy, prosperous, admired, envied nation which has made our lives so complete and so productive, surely our fundamental obligation must be to take every action we possibly can to pass this country on undiminished to our children and then to their children. That is what it is all about.

Some hon. members: Hear, hear!

Mr. Mulroney: Mr. Speaker, I say, not in any argumentative way whatsoever, but simply because the reasons I have tried to explain, and as a fundamental bearing on the nature of linguistic duality in Canada and this matter before the House, that for this reason and this reason alone I submit respectfully that I believe in many ways, but not in any perfect way, that the Meech Lake Accord has an important role and that it fulfils many of these responsibilities. It reaffirms our national identity by recognizing in the Constitution Quebec's distinctiveness and Canada's linguistic duality.

In 1982, a similar recognition was properly given to our multicultural and aboriginal traditions. In the same way the courts were instructed to interpret the Charter in light of these provisions.

In the words of the joint parliamentary committee that carefully studied the accord, the addition of the linguistic duality and distinct society clause "will better reflect Canada as it is".

The Meech Lake Accord is for all of Canada. It brings Quebec back into the Constitution voluntarily and on terms that are reasonable and may never come again.

Meech Lake ensures that all provinces will have an equal say in the reform of national institutions, including the Senate. There will be no winners and losers. Most of all, there will be no second-class provinces.

Meech Lake gives provinces a say in the appointment of Supreme Court Judges and Senators. Why would this be a source of astonishment in a federation? What could be more normal than to consult on questions like this, on federal institutions that need the legitimacy and the participation, as does the Senate? These are not offensive or original notions; they have been debated exhaustively in the past in different circumstances in Canada. All of them have much to suggest that they are worthy of careful consideration.

• (1610)

The Meech Lake Accord also promotes the development of new shared cost programs in a manner that, as Mr. Broadbent said in different circumstances, is sensitive to local needs.

Its ratification will establish a favourable climate for investment and economic growth. Most fundamentally, its ratification will promote national reconciliation.

It is not an argumentative or adversarial comment to say that any Constitution that is truly a Constitution which should unite all peoples will never be complete until the province of Quebec has been brought back to the family.

Some hon. members: Hear, hear!

Mr. Mulroney: Meech Lake places the co-existence of English and French-speaking Canadians in a pan-Canadian context, which is exactly what this country requires and exactly what the Accord does.

Lest there be any confusion on this matter, and because there has been confusion, let me read directly from the Meech Lake Accord the provision on linguistic duality. It is precisely the reason why it has a vital bearing, an absolutely indispensable bearing on this resolution and on the concept of minority rights and on the concept of linguistic duality in Canada. Let me read textually:

> 2. (1) The Constitution of Canada shall be interpreted in a manner consistent with
>
> (a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada;

What could be clearer than that? It is not a legal definition. It is a statement of reality. Yet some people persist in suggesting that this will describe a Canada of two linguistic enclaves. In fact it does precisely the opposite and brings Canadians together and makes sure that Canadians are at home right across Canada.

Some hon. members: Hear, hear!

Mr. Mulroney: It is a statement of the situation of the English-speaking minority in the province of Quebec and its access linguistically of course to the rest of Canada, and the inverse being the presence of French-speaking minorities across the country, with a French-speaking majority centred in Quebec, as being "a fundamental characteristic of Canada". Not only is it a fundamental characteristic of Canada, if it were not a fundamental characteristic of Canada this country would not have survived since 1867 because, as Sir John A. Macdonald said in 1865, the individuality of Lower Canada is something that must be respected in a new confederation, failing which there would be no Canada.

It is simply because Sir John and Cartier recognized that 125 years ago that Canada grew and prospered. It is because this House acknowledged it 100 years later that this country will continue to grow and prosper as one strong, united Canada.

Some hon. members: Hear, hear!

Mr. Mulroney: For the first time in our history, 11 governments committed themselves to preserve linguistic duality. Mr. Speaker, the Commissioner of Official Languages, the individual responsible not to a government but to this Parliament, a dispassionate, sensitive and objective observer of linguistic matters in this country, carefully analyzed every provision of that Accord. He said that this represents "a net gain" for linguistic minorities.

This debate today on this resolution is about linguistic minorities and it is about fairness. The Commissioner for

Official Languages says that in the documents submitted to him this represents a net gain for linguistic minorities—the English-speaking minority in the province of Quebec, and French-speaking minorities elsewhere. That is what we sought to do.

I was honoured by the fact that one of the most important observers in Canada's national life agreed and stipulated very clearly that this was a net gain for all of Canada's linguistic minorities. Its ratification is the best guarantee that minority language communities will flourish in Canada.

Ten provincial premiers representing four different political parties from British Columbia to Newfoundland and Labrador supported the Accord. All three federal leaders in the House of Commons strongly endorsed it. In politics in Canada this is about as close as you are ever going to come to a miracle, Mr. Speaker.

The Meech Lake Accord was inspired by the same insight and realism which motivated Sir John A. and Sir George-Étienne Cartier a century ago. "We are a great country", Sir John said, "and shall become one of the greatest in the universe if we preserve it; we shall sink into insignificance and adversity if we suffer it to be broken".

[*Translation*]

Here is what Georges-Etienne Cartier said about the 1867 Constitution. Some time later, Cartier said, "I hope that if this grand project of Confederation must be amended, it will not be to narrow the principles of fairness on which it is founded, but rather to enlarge them even more."

Ratification of the Meech Lake Accord will allow us to address an agenda of importance to all Canadians: Senate reform, aboriginal rights, minority language rights and improving the Charter. Those are critical matters for all governments and all legislators to consider as we approach the June deadline for ratifying the Accord.

Some would say, Mr. Speaker, that we have come a long way since 1867, and we have, certainly. But in my view, all the reforms we have instituted in the past quarter century do no more than ensure that the concept of partnership is brought up to date with changing times and circumstances.

Without such reforms, the splendid concept, the uniquely Canadian concept, could wither and die, and with it the essence of Canada and the core of Canadian values.

[*English*]

Twenty-five years ago today a new Canadian flag was raised for the first time on Parliament Hill after a long, raucous and emotional debate across the nation and in this House of Commons. The flag too, as some members will recall, was the subject of very substantial and prolonged disagreement and, indeed, division.

Many felt strongly that the red maple leaf was not the right flag for Canada. But 25 years later every single Canadian rejoices in our flag's distinctiveness. It is celebrated as perhaps our most important symbol of unity. There is not a single Canadian who has travelled across this country or elsewhere in the world who on seeing the Canadian maple leaf flag flying does not look at it with pride and joy and says: "There is our flag and I am a Canadian."

Some hon. members: Hear, hear!

Mr. Mulroney: So may it be some day with the Meech Lake Accord and documents designed to unite Canada to bring us together to make sure that the vision of the Fathers of Confederation is respected and honoured and that this country becomes effectively what it was always designed to be—one Canada.

• (1620)

[*Translation*]

The breathtaking pace of international events, the tremendous development of technology and the vast trade opportunities opening up in the world urgently remind us that we cannot condemn another generation to sterile and interminable domestic quarrels.

We have had our fill of constitutional conferences!

[*English*]

We are the international experts in the cottage industry of commas, colons, paragraphs, notwithstandings and constitutions. We could give advice to anyone in the world on how to do it, but unfortunately we have not completed it ourselves.

I think Canadians call upon us in the same spirit of openness and generosity to recognize those values that moved the Fathers of Confederation and who look at us today, 125 years later and say: "Surely the time has come". That is said in the context of the continual respect of that individuality of which Macdonald spoke in 1865, of the respect for minority rights which has now extended to respect for all minorities across the country, respect for bilingualism and the tremendous value, the

magnificence that it brings to our citizenship and the pride and the joy that it gives us in being Canadians.

Let us adopt this resolution which speaks to some fundamental values that have been the source of great pride for all Canadians from the very beginning of Canada. Let us adopt this resolution loudly and clearly and, hopefully, with one voice. In the process of doing that we do honour to Canada and we do honour to this House of Commons. Perhaps even more important we do honour to our obligations to each other.

Some hon. members: Hear, hear!

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I welcome the opportunity this debate gives this House to send Canadians a positive message in support of bilingualism in our country.

I think members on both sides of this House understand that there is an urgent need to send a clear and unmistakable message to the country in support of linguistic duality, of bilingualism. Therefore we will support this resolution because, above all, it calls for the reaffirmation of the importance of bilingualism as, what is, and what should be a fundamental characteristic of this country.

Some hon. members: Hear, hear!

Mr. Gray (Windsor West): In short, I see this resolution as a vehicle which enables parliamentarians of all parties to send this positive message to Canadians.

[*Translation*]

But, Mr. Speaker, it is not enough for us as parliamentarians to pass a motion showing our support for bilingualism to fulfil our duty to promote and encourage bilingualism.

We must show our support for it. And I sincerely hope, as do my colleagues, that the government will not stop with this resolution and that it will launch a dynamic program in its wake to encourage bilingualism. It is up to the Prime Minister and his government to set the tone on this issue.

My predecessor, the right hon. member for Vancouver Quadra (Mr. Turner), sounded a warning note a few months ago here in the House. He said

> —that if the federal government did not act as soon as possible to promote linguistic equality, there would be serious consequences.

Mr. Speaker, he was right.

[*English*]

I believe that the current wave of English-only municipal resolutions in Ontario has a lot to do with a lack of federal leadership. There is a perception on the part of some Canadians that their federal government is sending out conflicting signals, that it says one thing to people in one part of the country and another thing to people in other parts.

This government must change its *laissez-faire* attitude and become more active in the promotion of bilingualism. If it does not, many people will continue to hold the misconception that bilingualism is just an expensive luxury that this country does not need.

In fact, it is the duty of all of us to work diligently to dispel that myth and to convince Canadians that official language equality is one of this country's most distinctive and positive feature. That misconception, that myth I have just outlined, is not only wrong, it is also dangerous. It is wrong because it denies our history and dangerous because it could deny us our future.

It is dangerous because, if taken to its extreme, it will have us ignore the fundamental nature of this country, namely, that we are a country whose history has given us two languages, English and French, as part of our basic national fabric. If we reject the fundamental nature of this country, then we are rejecting the kind of Canada we have been building here for the past 123 years. A Canada that rejects this principle is not the kind of Canada I want to see in the next decade and the next century for my children and their children.

I believe that if we reject this principle, Canada will not survive as an independent, distinctive and united country. I do not believe a Canada that rejects the principle of language equality is the kind of Canada the majority of Canadians want to see either.

Members will no doubt be aware of a new poll completed by the respected firm Environics Research Group and released today by the Canadian Parents for French. It shows that nearly three-quarters of all Cana-

dians are in favour of having the children of their province learn the other official language.

Some hon. members: Hear, hear!

Mr. Gray (Windsor West): These figures represent an increase in favour of second language training over a similar poll six years ago. They show that in all parts of Canada a majority supports second language education.

Referring to the survey, Kathryn Manzer, the president of Canadian Parents for French stated:

> These findings affirm my faith in Canadians and in the future of our country. It's good to know that Canadians really do share a desire to understand and communicate with one another.

I agree with these sentiments.

[*Translation*]

We have built a strong and unique democracy, founded on justice, tolerance and understanding. True, we have had the occasional set-back, but I believe we have made considerable progress in building a society that gives equal opportunities to all citizens, regardless of language or origin.

• (1630)

I would like to quote my predecessor who said last year in the House of Commons, on April 5:

> The whole history of Canada, since the very day it was founded, reflects the fragile balance between the two founding peoples and the two language communities. It is the duty of all of us here in the House, the elected representatives of the Canadian people, to work zealously, carefully and generously to cement the links between these two language communities.

[*English*]

My background is neither French nor English. My parents were Jewish immigrants from eastern Europe who became proud Canadians, as I am. Today, I have the honour to stand here as a member of Parliament and, even if for a limited period, as the Leader of the Opposition. I am proud to work for our country, to speak for Canada in both official languages.

I believe that if we begin to undermine the concept of bilingualism, we are also beginning to undermine the concept of multiculturalism. After all, if we cannot recognize the value of having two official languages in this country, can we long continue to recognize the value of the many non-English and non-French cultural heritages of some one third of Canadians?

I believe, and I hope all Canadians will agree with me, that you do not build yourself up by tearing someone else down. In the long run, you do not increase your rights by attempting to take away the rights of others.

More than that, diminishing the rights of Francophones outside Quebec does not increase the rights of Anglophones inside Quebec, just as limiting the rights of Anglophones inside Quebec does not increase the rights of Francophones elsewhere in our country. If anything, actions such as those we have seen in recent months only serve to make matters worse for minorities in all parts of Canada.

The English-only municipal resolutions we have seen recently represent a very backward step. They are based on misconceptions and misunderstandings about the financial implications for municipalities of Ontario's Bill 8. As I understand it, that bill does not require municipalities to spend any money. It does not require their citizens to pay more. It also does not require municipal governments to do anything they do not want to do. But, unfortunately, French language rights and services have become the undeserving scapegoats for concerns about municipal taxes and services.

[*Translation*]

Mr. Speaker, when I sat in the House of Commons for the first time in 1962, we were just starting to provide services in both official languages. I want to pay tribute to all members of the House of Commons who pursued that objective. Under the Pearson Government, the Laurendeau-Dunton report on bilingualism and biculturalism was published. The result? Under the government of Pierre Elliott Trudeau, we tabled the official languages bill.

[*English*]

The task of winning acceptance of that legislation was not small. My predecessor, the member for Vancouver Quadra, played a leading role in that process. As Minister of Justice in 1969, he criss-crossed the country consulting with provincial governments. He negotiated with the attorneys-general of the four western provinces because there were objections. He appeared before provincial legislative committees throughout Canada, because, as he told this House last April: "As in all cases involving language, this law to legitimize equal status for

our country's two official languages was hard to accept in some parts of our country. We needed great patience and determination to reach our goals". Then he went on to make this important point: "But we did it, thanks to Canadians' tolerance, generosity and goodwill".

We are today asking Canadians to regenerate that same spirit of tolerance, generosity and goodwill in the face of the challenges now before us. We are asking Canadians to put aside narrow concerns and reject the temptation for the kinds of answers that seek to divide. We are asking all members of this House to take an active role in achieving that renewed consensus because, as my predecessor went on to say in that same speech, "We must also, all of us, do our best to rekindle the bonds between our two linguistic communities to encourage and revive the spirit of harmony and tolerance which is lacking today".

I think that today, when we are celebrating the twenty-fifth anniversary of our Canadian flag, we can find some parallels in the current friction over language. I am one of only three current members who were in the House during that period. I participated in the debate over the flag and that debate was marked with division and acrimony.

Earlier today, I took part in a celebration of that anniversary which was organized by a government, formed by the party, many of whose members at the time, led the opposition to our new flag. Yet today, all parties in this House and indeed all Canadians look upon the flag with pride.

Many people thought, at that time given the bitterness of the flag debate, that this could never happen. But, Mr. Speaker, it did happen. It happened because people came together, built understanding and consensus. I sincerely hope that we can, as parliamentarians and as a country, do the same over the matter of bilingualism. Surely this is something we must do.

I believe, as my predecessor said only last week: "Canada's potential fragility is language, but Canada's potential strength is language".

I urge all members to support this motion. Let us make today the day we begin to build on that strength and turn the tide toward a more tolerant, more compassionate and above all, a stronger and more united Canada.

Some hon. members: Hear, hear!

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Yorkton—Melville, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Coquitlam—Unemployment Insurance; the hon. member for Saint-Léonard—Small Business; and the hon. member for York Centre—Justice.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, before I begin the formal part of my remarks, I want to inform the Prime Minister and the Leader of the Opposition in the House that my leader would have liked to have spoken today but she has other commitments. I think the government was aware of that a few days ago, but I want to make it very clear.

In the beginning, I want to say that we support the resolution before the House today. I do so personally, and my party does so with a great deal of pride. We hope that the resolution before the House today will help unify this country and bring Canadians together.

I also rise as a western Canadian who has never hesitated to speak out in favour of bilingualism in this country and the equality of our two languages no matter where I go, not only in my constituency, but indeed anywhere across the west, or anywhere across Canada.

The debate today is a debate about linguistic minority rights. It is a debate about justice and about fairness. It is a debate about the future of our country.

I think that our party throughout its history, going back to the CCF and then the NDP, has had a very proud history of fighting for linguistic equality in this country.

[*Translation*]

I know the Prime Minister is a friend of Robert Cliche, who was the leader of our party in Quebec. Mr. Cliche worked very hard for the equality of our two official languages in this country, and I am very proud of his contribution, not only to our party but to the entire country, and I know the Prime Minister will agree.

• (1640)

[*English*]

I also remember when I was first elected in 1968 that one of the first pieces of legislation we dealt with that year was the Official Languages Act. I remember that David Lewis, Tommy Douglas, Stanley Knowles, and yourself, Mr. Speaker, were all in the House. We had a good debate and it was with a great deal of pride that we passed the Official Languages Act back in 1968 to establish in law the equality of the two languages in this country in terms of the interaction of citizens with the Parliament of Canada and the institutions of this great Parliament of Canada, the institutions of the federal government.

What we are doing today is reaffirming, very importantly, our belief in the duality of this country that it must be protected, enhanced, and promoted.

[*Translation*]

Mr. Speaker, it is a fact of life in Canada. We are a country with two great languages. We have two founding peoples: the English and the French. In Canada's history, we read about an agreement between the two founding peoples on English and French.

At the time of Confederation, 125 years ago, it was agreed that the Civil Code would prevail in Quebec and Common Law in the rest of the country.

Mr. Speaker, besides two founding peoples, we also have a very important group, the pre-founding people: the aboriginal people of Canada. There were many Indian, many aboriginal groups in this country before the others arrived.

And subsequently, Mr. Speaker, a fourth dimension was added to our country. With a name like mine and a name like yours, Mr. Speaker, we and our fathers came from other countries. In my case, it was Sweden, and in yours it was the Ukraine, a long time ago. Another part of Canada's fourth dimension is our visible minorities. The result is that we have a country that is quite different from our neighbours to the south.

Mr. Speaker, I would like to say it in French. I know I speak with an English accent, because I learned French as an adult, but I would like to say something personal in French to our Francophone listeners. I remember that when I was elected—I was only 22—the House was considering the official languages bill. There had been a negative reaction in Western Canada from a large part of the population. I also remember Mr. Alex Kuziak, the first Canadian of Ukrainian descent to be appointed a minister here in Canada, and it was Tommy Douglas who appointed him when he was Premier of Saskatchewan. In the autumn of 1968, he told me that we had to pass the official languages bill for two important reasons. First of all, because it was a just cause. Here in Canada we had a french-speaking minority representing 30 per cent of our population, and it was a matter of justice for the French language and that part of the population that spoke French. But there is another reason, Mr. Speaker, and I remember it well, as a member of the fourth Canadian dimension. He said: Because of the French fact here in Canada, we have a tolerance for the other ethnic groups and for our natives. In this country, because we are tolerant with the French and the English, we are also much more tolerant than in the United States with the universities and with multiculturalism. It is also for this reason that he said we had to support this bill in 1968.

[*English*]

Those are great reasons that we should favour promoting and protecting the two official languages in this country.

This afternoon I want to speak about something else that is important, namely, the question of leadership. I think it is very important that this House take a very firm stand, and a very quick stand in support of duality in this country. Regardless of whether or not some people are in opposition to what we are saying, it is very important that we do what is right. It is very important that, as politicians, we do what must be done for the future of this country. It is very important that we not stick our heads in the sand, or try to forget that this issue exists, or not talk about it because it is not very popular in certain parts of the country.

My riding of Yorkton—Melville probably has fewer Francophones in it than any other riding in western Canada. I believe in the last census there were fewer than 100. But I have found throughout the years that if you speak openly, directly and honestly about the importance of linguistic rights in this country, the people of my riding and people across this country respect that and support me and support us for doing so.

That brings me to the second point about leadership. Here I think is where a lot of us have failed this country quite badly. Many of us have forgotten that we have to educate people as to why we are doing certain things in this country, why we have passed certain laws, why we have created certain institutions. For example, in the province of Ontario, and I am not going to be critical at all of my Ontario colleagues in the provincial Legislature or the Premier of Ontario, but politicians in all three parties should do more to explain what Bill 8 is all about.

From my understanding, and I am not an Ontarian, Bill 8 provides French language services at the provincial level only where numbers warrant. In other words, where 10 per cent of the population is of the Francophone expression or if there are 5,000 Francophones in one community there will be certain French language services for those people in places like Sudbury, Hawkesbury, or Nickel Belt or the city of Windsor, the city of Ottawa and so on.

It seems to me that some of the opposition to what is happening in Ontario is there because certain politicians have not played a leadership role in explaining what Bill 8 is all about, or in explaining what official bilingualism at the federal level is all about. Some people are in opposition to that today because they do not have the information that they should have about their country its laws or its institutions.

Often western Canadians ask me why I support bilingualism. They say, "When my kids or grandchildren grow up they will have to speak French to have any federal job here in Saskatchewan or Alberta or Manitoba." Little do they realize that very few jobs in the federal Public Service in western Canada are designated bilingual. People do not realize that because we have failed collectively to do our job in educating the people of this country.

One of the consequences is that some people have a fear of what they think is going to happen. Let me tell the Prime Minister that one of the best speeches I have heard in this House was one of his back in September or October of 1983. He was then Leader of the Opposition and he spoke on the question of Francophone rights in the province of Manitoba. I was proud of him as the Leader of Opposition at that particular time for having had the courage to stand up at a very sensitive time in our history and speak out in favour of Francophone rights in the province of Manitoba, rights that Premier Pawley, who was the leader of the government from our party in Manitoba, was attempting to negotiate at that time.

I remember the Prime Minister saying then—and I have not had a chance to reread his speech so I hope it is not out of context—that we should not condemn most of the people who were in opposition to the rights that Premier Pawley was trying to give to franco-Manitobans that were theirs because of a constitutional agreement many years ago. I remember the Prime Minister saying that we should not condemn those people, that many of them were fearful and did not understand the situation, that what we should try to do is educate them about why this had to be done.

I do not rise today and say that all people in Sault Ste. Marie are racists or bigots. They are not racists or bigots. I do not rise here and say that everybody in Thunder Bay, because of the resolution passed, are racists and bigots. They are not racists or bigots.

[*Translation*]

And that is exactly the same thing in Quebec, Mr. Speaker. I know a great many Quebecers who are against the development of the English language in that province. But most Quebecers are not racists, Mr. Speaker.

• (1650)

[*English*]

But at the same time, I also do not hesitate to condemn some of those people who are intentionally trying to stir up trouble in this country, who are anti-French, who are anti-Indian, who are anti-English, and some of them circulate petitions and try to raise fears. When we run across those people we should call a spade a spade and condemn them.

We are very lucky in Canada that we do have two official languages. The English language and the French language are the two greatest languages in the world. I think that we should celebrate that fact. It should be a fact that unites this country and not tears this country apart.

It is part of the richness of Canada. It is part of what we are blessed with as a nation. Most Canadians who have a sense of fairness and justice agree with that vision of Canada, that we are indeed very fortunate and indeed very aware.

At this time in our history we should not forget the philosopher who once said that you judge a society by how the society treats its minorities. We must judge our country by how generous we are to our minorities.

We cheer at the tearing down of the Berlin Wall. We cheer Mr. Gorbachev, and yesterday we all cheered when the Minister of Foreign Affairs of the Union of Soviet Socialist Republics stood up here in the gallery. We cheer the Soviets for opening up their society. We encourage them to have more human rights. We pull for the openness in their society and the democratization of their society. We cheer Nelson Mandela being released from jail in South Africa, and we hope that the minorities, in that case the majority, will be treated more fairly and more justly. However, it strikes me as very strange that there is still in this country a small number—and I stress a small number—of very narrow-minded Canadians who want to turn back the clock and deny minority rights to English-speaking minorities in Quebec or French-speaking minorities outside the Province of Quebec.

I want to close by expressing a worry and a concern. I have watched what has happened in this country over the last number of years. I know an important part of the agenda of the Prime Minister has been what he calls national reconciliation. We all want national reconciliation. We all want unity in this country. But as I travel across it and as I travel in Quebec and outside of Quebec, I sense that more and more Canadians are starting to give up. I sense in Quebec a bit more of a drift to Quebecers going on their own, to doing things their own way. There is a feeling in Quebec among more and more people that English Canada does not really care, and if English Canada does not really care, let us, Quebecers, start doing more things in our province in our own way and assert more and more sovereignty right here in Quebec. Outside of Quebec, we have seen in places like Sault Ste. Marie and Thunder Bay the exact opposite reaction where people are saying, let them speak French in Quebec and we will speak English here. We will start going our own way as well.

I really fear that in some ways maybe the country is beginning to slip away. That is why it is so important that we not play politics with this issue. That is why it is so important that the three national political parties remain firmly and solidly united in terms of promoting duality in this country and recognizing the fact that we do have two official languages, that we stand up for minority linguistic rights, we stand up for fairness, we stand up for justice, we stand up for the multicultural diversity of our country, and we stand up for the native people of our country as well. I think that is very, very important.

We adopted the Official Languages Act in 1968. We had amendments to it in 1988. We had the patriation of the Constitution in 1981–1982. We are now seeing an attempt to amend the Constitution in 1987 in terms of the Meech Lake Accord.

I hope all of these these will unite us, that all of these things will bring us together and help make this country a stronger, more fair, and more positive place in which to live.

[*Translation*]

Mr. Speaker, we have a great country. I am proud to come from Western Canada. I am proud to say that nearly 30 per cent of my countrymen speak French. I am very proud of that. That is something which makes Canada different from the United States. It makes Canada a country unique in the world, Mr. Speaker. I know that most of the people in Western Canada support the Canadian duality. They agree with Quebec being a distinct society. Most Canadians accept the five pre-conditions which Quebec insisted on during the constitutional debate a couple of years ago.

Mr. Speaker, it is such a positive element. As a representative of Western Canada, I am proud to see French immersion schools everywhere. I know that even in Calgary and Edmonton, a great many parents register their children with French immersion schools because they realize how important it is for their children to be able to speak both languages. That is something very positive.

[*English*]

It is important that we reaffirm once again that not only do we want to protect duality in this country, we want to preserve duality and we want to promote linguistic duality in this country. In doing so, we promote Canada. We stand up for Canada and make this country a much fairer and richer place in which to live. Let us celebrate that fact. Let us be proud of that fact. In showing generosity to our linguistic minorities, we show generosity as well to our native Indian people and generosity to people who come from many other lands and cultures. With that, hopefully, we can build a much more united, strong and prosperous country in the years that lie ahead.

Some hon. members: Hear, hear!

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

Mr. Caccia: No.

Mr. Speaker: I am sorry but I cannot recognize the hon. member. He is not properly dressed.

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Lewis: Mr. Speaker, the government has no intention of calling any further business until 5.12 p.m. I wonder if the Chair might suspend the sitting until 5.12 p.m. to allow Private Members' Hour to start then. However we can start now; whatever is the wish of the House.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend the sitting until 5.12 p.m.?

Some hon. members: Agreed.

The sitting of the House was suspended at 5 p.m.

SITTING RESUMED

The House resumed at 5.12 p.m.

The Acting Speaker (Mr. Paproski): It being 5.12 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

BILL OF RIGHTS

SUGGESTED CHILD PROTECTION COMMISSION

The House resumed from Tuesday, December 12, 1989 consideration of the motion of Ms. Langan:

That, in the opinion of this House, the government should consider the advisability of negotiating with the provinces to provide a comprehensive Bill of Rights for children which would standardize laws through the country, and that this Bill of Rights include a child protection commission and an emergency hot line which children could contact in times of crisis.

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, it is indeed a pleasure for me to be the lead-off speaker in this fourth hour of debate on Motion M-254, suggesting a bill of rights for children.

Again I wish to thank the hon. member for Mission—Coquitlam for placing this motion before the House, a motion which focuses on protecting the rights of our children. No one can deny they are Canada's most important resource.

As I alluded to in the debate last December, a number of developments have taken place with regard to families and children since the hon. member initially tabled her motion. Most important, of course, is the recent adoption of the United Nations Convention on the Rights of the Child.

The convention covers a wide spectrum of children's rights and as such fully satisfies that part of the motion before the House which speaks to the need for a comprehensive bill of rights for children.

In this regard this convention is intended to establish a modern, international standard for addressing the social, economical, political, religious, cultural and civil rights of children all over the world.

As well, the convention provides for the protection of children from abuse, neglect and exploitation, and the protection of children with disabilities and the protection of children without families.

The list of possible initiatives deriving from the convention are many and would include, for example, support for an emergency hot line for children which was mentioned in Motion M-254 and which in fact has been the object of a recent federal grant for start-up costs. In this regard last fall the federal government pledged $1.3 million toward the start-up costs for an emergency hot line, the Kids' Help Line, which offers counselling information and if appropriate referral service to Canada's seven million children.

Since May of last year, the Kids' Help Line has received over 70,000 calls. The convention, through Article 27, also speaks to the rights of every child to an

adequate standard of living and calls on state parties to take appropriate measures to assist parents in fulfilling this right.

Members will therefore have to examine issues like financial deprivation among children, something which we in Canada call child poverty, and to assess the need for action. In Canada there is the need to alleviate the problem of poverty among children. This is an issue which has quite rightly attracted increasing attention, including in this House.

As you will recall, Mr. Speaker, last November the House unanimously supported the motion by the former hon. member for Oshawa with regard to child poverty. A subcommittee of the House is presently studying child poverty and it is expected that it will present the report in November 1990.

Clearly, addressing the rights of Canadian children in very many instances would require provincial action. Moreover, formalizing the convention in Canada and thereby furthering the aims of a bill of rights for children will require a co-operative effort between the federal government and the provinces, given that many of the obligations in the convention fall within provincial and/or shared jurisdiction.

To this end the federal government is now seeking the support of the provinces and territories for signatures. Efforts are also currently under way through federal-provincial consultation on the question of ratification of the convention.

We on this side of the House very much wish to support a motion on this important subject, but an amendment is required to highlight the important role of the UN Convention and the federal-provincial co-operation needed to secure its ratification.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I am most pleased to be able to rise today to speak on this motion.

It is important to put on record some of my personal background because a great deal of my adult life has been spent in working with children who are in a state of either neglect or crisis. Of course my background is as a social worker.

I started out initially in juvenile and family court working with children who were before the court on charges of delinquency and children whose families were before the courts because they had been unable or unwilling to care for them properly or had abused or neglected the children. I have seen a lot of what happens to children when we as a society do not provide them with the kinds of resources necessary to ensure that they mature, that they are nurtured, given adequate health care and education and a stable home living environment.

I have had the opportunity or the misfortune to work on the streets in Vancouver with runaway children, to be involved with one of the very positive and experimental programs, the Senator Hotel, when it had an outreach program on the streets. It was reaching out to young teenage children who were involved in the street scene.

It is not a pleasant scene. It involved drug abuse and sexual exploitation, including prostitution and other forms of sexual exploitation.

I have also seen other things that we sometimes do not like to admit happens in Canada. There is an increasing use of child labour in this country. All we have to do is go into any big apartment block or any big office building at ten o'clock at night and see who is cleaning it. More and more they are being cleaned by families, including eight year old kids, nine year old kids, or twelve year old kids. Because the family is the contracted unit we say there is not child labour going on. That is simply not so.

I have seen in government buildings that house child welfare offices children of eight and nine years old working at ten and eleven o'clock at night.

• (1720)

One of the things that we talked about in this House in the last week is the question of literacy. We know the high correlation between unemployment, poverty and illiteracy. While we may talk about adult programs, we are unwilling to face the reality that most of these problems could be solved if we provided the resources to our children.

The time to attack illiteracy is not when the person is 25 years old. The time to attack illiteracy is in Kindergarten or in Grade 1. That is where we need to put our resources. That is where we need to put the resources of special educators. Most Grade 1 teachers can identify on day one the child who is going to fail in Grade 9. Yet, we are so short-sighted we do not put the resources there.

In the area of corrections we talk about the problem of criminality and repeat offenders in our prison system, yet most Grade 1 teachers can identify the children who are going to have behaviour problems in Grade 5, who are going to be delinquents when they are 12 years old and who are going to be serving time in federal penitentiaries when they are 20 years old. We are unwilling to put in the kinds of resources necessary to see that that does not happen.

One of the proposals in this motion is for not only child protection services but an emergency hot line. It says that we should standardize our laws across this country. I think that is important, particularly as those laws relate to protection services, but I am also concerned that we must do more than standardize laws.

I want to emphasize how many of the problems we see in terms of the welfare of children and of adults are related to poverty. The government is proud that there has been a slight reduction in poverty in the last year. Poverty had gone up steadily since 1984, but in the last year it has gone down. Obviously this is related to employment rates. If unemployment goes down, poverty goes down.

However, we still have 1.2 million children who are living below the poverty level compared to countries like Sweden which has approximately 5 per cent. Even the United Kingdom has only 9 per cent.

The only country in the western industrial world that may have more child poverty is the United States. It is not just a matter of poverty, but it is how poverty correlates with other circumstances that put children at a disadvantage. The birth weight of babies born to families who are living in poverty is low. According to the Quebec Corporation of Physicians babies born in certain Montreal and Quebec City neighbourhoods are as likely to be underweight at birth as those in developing countries.

What an indictment of Canada when we have neighbourhoods that are poor and the standard of health of babies born in those neighbourhoods is no better than that of babies born in developing countries.

We know that the mortality rate of children born with low birth weight is twice that of other children. We know that there is a growing problem of hunger among children in this country. I was involved with the Vancouver school board in its attempts to get both the provincial government and this federal government to assist it in developing programs to feed school children who had come to school without having had breakfast, who had not had supper the day before, and probably some of them had not eaten for one or two days. Unfortunately they got no help from either the provincial government or the federal government.

Income assistance rates, according to studies in British Columbia, provide only enough money to feed children for two and a half weeks out of the month. What do you say to a hungry child? It is all very nice to pretend that you are going to be able to educate that child. The government talked this week about reducing the drop-out rate among school children, and the best way to do that is to ensure that every child belongs to a family that has an adequate level of income. The drop-out rate is well over twice, in fact nearly three times the rate for children from poor families compared with rich families.

Sometimes we think it is mystical but what about a 13 year old who is going to school and trying to compete with other kids, where they have money to go on field trips, money for new running shoes, money to buy school lunches and they have nothing? They soon get discouraged and simply withdraw from that situation where they are perpetually embarrassed because they cannot participate in the life of the school the way their peers can.

Among the other factors that are creating poverty in this country for children is the housing crisis. Increasingly, families are being driven into poverty, particularly in the metropolitan areas like Vancouver and Toronto, because once they pay for their housing they have no disposable income left over to feed the children.

I notice, Mr. Speaker, you are signalling that I have run out of time. I will close with this one remark. Canada is a wealthy country. There is no excuse for child poverty in Canada. Eradicating poverty is one of the best ways we can ensure the protection of children in this country.

Mr. Howard Crosby (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, let me begin by extending my thanks and encouragement to the

member for Mission—Coquitlam for bringing before this House the subject of children's rights. Canadians are fond of saying that children are our most precious resource in Canada. Having said that, we do very little to ensure appropriate development of children not only in our social structures but especially in our legal system.

As you may know, Mr. Speaker, I have had special interest in the subject of missing children. I want to speak mainly about that particular interest. I am able to confirm many of the remarks made by my colleague from Surrey North who just spoke with respect to the plight of children finding themselves on the streets and highways of Canada without help, without parental help or assistance of any kind.

It is essential and necessary that we have in Canada some legal means to protect children, some constitutional base between the federal government and the provinces to enact appropriate child protection law.

At the heart of the problem is the divided jurisdiction between the Parliament of Canada and the provinces of Canada. Children's rights basically are a provincial matter. It would be difficult, and I have experienced this difficulty in attempting to draft legislation, for the Parliament of Canada to intervene in what is basically a provincial jurisdiction. Resolutions can be found for that aspect of the problem, whether it is through constitutional change or simply federal—provincial co-operation. But if we are to give meaning to the statement that children are our most precious resource, then we should be looking, not only once and from time to time at this matter but on a continuing and continuous basis.

• (1730)

By way of confirming the remarks made by the member for Surrey North about missing children, I must say that children who leave home at an early age, teenagers, and who find themselves on the streets of Canada are outlaws. They are outside the law. There is no question of protection of the law, they are without legal rights.

This leads to prostitution in a very broad sense. It is not simply sexual abuse, it is abuse in the labour force, in the kinds of jobs and benefits that a child labourer receives. In many cases, employers take advantage of their situation by employing them at less than minimum wages without any other employment benefits. The member is quite correct. You will find them in the worst kinds of labouring positions, in the kitchens of the worst restaurants, in the basements of the worst hotels. It is not difficult for anybody to find proof of this accusation. I am sure they walk the streets of Ottawa and find this very situation existing here in the nation's capital.

It is discouraging to raise this matter from time to time and find out that nothing changes from year to year. I know in 1985 and before, I brought before the House of Commons the missing children's legislation, which was basically to give a legal technique for apprehending—I hate that word—missing children in order to get them back them off the streets and thereby allow some socially beneficial action to be taken.

Even in that small initiative you meet with opposition, technical arguments that it is not the jurisdiction of the Parliament of Canada, that this cannot be done. There is no attempt to resolve the problem, simply another obstacle in the way of resolution.

At least in 1985, as a result of the efforts some of us made, the Solicitor General of the day did respond in part to the problem of missing children and has created some techniques and institutions that have had a beneficial effect in attempting to resolve the problem of missing children. However, it was a relatively minimal effort. I do not say that in any critical way. I mean that it was only the beginning of a program that, frankly, has not been implemented in the way I would have hoped. So we still have to this day in the national capital and the larger cities, and even in the rural areas of Canada, this enormous problem of missing children.

The answer is often given that we do not have the resources to deal with it, the finances in the country are strained. I understand that, I know about the national debt, but it is very clearly a proposition of pay now or pay later. If we do not take the actions to remedy the situation now, we are going to have enormous expenses later.

It is almost unbelievable that we Canadians would not provide a home simply on the basis that a child is missing and on the streets of Canada. We would not pay for hotel bills or apartment rental. We would wait a few years until they are in a penitentiary and then pay all the expenses,

the enormous expenses of maintaining a young person in an institution.

I do not know what it takes to awaken Canadians to this issue but we have to start with Parliament and it is for that reason I congratulate the member for Mission—Coquitlam. The more we bring this matter to the floor of the House of Commons, the more interest it will generate and then maybe some action will be taken. In the meantime, children are being exploited, children are outlaws on the streets of Canada and not enough action is being taken.

You can ask the question: What action can be taken? Well, first we have to identify the problem very clearly. Many people know about it. There is not a social worker across Canada that has not had specific experience. The problem is to gather all this information together and utilize the information to establish a program of action.

Just by way of demonstrating in a graphic way the nature of the problem, there is an organization called Victims of Violence. Gary Rosenfeldt and his wife are very much involved in it. They have been before committees of the House of Commons time and time again to push this matter.

I remember them pointing out that in Canada, about four or five years ago, we had a registry system for missing automobiles and vessels, but we had no registry for missing children. In other words, we in Canada were concerned with vehicles that were stolen and missing but had no concern about the children who had been reported missing.

At least we solved that problem. We now have a registry of missing children. We also have alerted police forces, which at times have not been as co-operative as I would have liked them to be in this area, to the fact that they have a role to play. They cannot ignore missing children. They should not wait for them to steal or commit some other criminal offence before they take some action.

Sharon Rosenfeldt wrote to me in October 1985 and said: "This country has foundations for women's rights, human rights, save baby seals and whales, but there is no help for missing children from their parents". As I said, some steps have been taken to remedy and rectify this situation, but a great deal more action is required.

I want to say in closing that I recognize and realize that the motion that has been put forward has in mind a bill of rights for children. I think that what is at the heart of that motion is the demand for federal-provincial co-operation in this area so we can have a legal basis to deal with the problem and then the contribution of public resources, private resources and any other resources to resolve this problem. As long as we have missing children on the streets of Canada, we will have people outside the laws of society and they will suffer, and all society will suffer.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am delighted to be able to rise today in support of the motion of my colleague for Mission—Coquitlam that, in the opinion of this House, the government should consider the advisability of setting up some sort of a grand alliance with the provinces to deal with the issue of a bill of rights for children.

This motion indicates a vision of a lot of the problems that relate to children in Canada, but it also relates a vision of the way Canada could be seen as an example internationally. The way that we treat our children and the kind of resources that are allocated for children can be seen as an example internationally.

As you are no doubt aware, Mr. Speaker, Canada has agreed to co-host or sponsor the Summit on World's Children which will be held September 29 and 30 in New York city. Canada, along with Egypt, Mali, Mexico, Pakistan and Sweden, has agreed to sponsor this Summit on World's Children.

If the House agrees to pass this motion, I think that it has implications for Canada's international reputation. I would like to at least begin my remarks on that international perspective because passing this motion would send a signal to the world that we care about our children.

Much of the evidence, as has been stated in earlier addresses, would not indicate that we care. There is a lot of talk and very little action as regards the state of Canada's children.

Children are seen and not heard in the political context. Children are not voters. Children do not have political power. I think more and more Canadians are finding out what it means to be politically powerless. It is a sad statement of our own lack of resources that this

country has allocated to much of the problems of Canada's children.

This is not to be just heart-wrenching. We can wrench a lot of tears from people by telling sad stories, but I think that we in this House have a duty and obligation to try to do something about this.

• (1740)

This motion attempts that beginning, that a bill of rights be established, that children do have a place, do have a voice, will have some protection through a child protection commissioner, and that an emergency hot line be established. Rather than just nice words strung together in this House, we need something tangible to come out of this.

I would like to turn now to the international aspects of that. In my critic area of international development and in my role on the subcommittee on international debt of external affairs, we hear much about structural adjustment and the kind of effects that structural adjustment has on the developing world. International debt is a major crisis and yet the people in the corporate board rooms of the banks do not seem to understand that the decisions that are made in those boardrooms have an effect on the most disadvantaged in the world, particularly the women and children. The heaviest burden of the debt crisis is falling on the growing minds and bodies of children.

This motion to support a bill of rights that my hon. colleague has put forth would indicate Canada as an example. We are willing to do something in our country and we care about the children internationally.

We also have to indicate that structural adjustment does not just occur in the Third World where certain policies are taken in order to address a particular debt problem. We now have in our own country a debt crisis that has evolved over the years. Now those same politically powerless people are the ones who are paying the major burden of that debt through cuts to social programs and the things that are going on with health care. We have to understand what structural adjustment is. It is two nice words put together and yet it has very negative consequences for children here and internationally.

We are coming up in the next week to a budget. We are all waiting on tenterhooks to learn where the cuts are going to come. We have been told by the finance minister that there are going to be major cuts. We can only hope that some of those cuts will come in defence spending. We have heard a lot about the peace dividend and what will happen with the peace dividend, that the money that will be hopefully reduced from defence spending will be allocated to social programs.

I caution you, Mr. Speaker, that it be not just social programs here. We seem to have achieved a global consciousness environmentally and yet we have not yet achieved that global consciousness socially or politically. We cannot see those things as mutually distinct. We are all on this planet together and we are interdependent, not just environmentally but socially and politically. What happens in Columbia, El Salvador and the Sudan has an impact on our lives. We are talking about political destabilization, a growing militarization in the face of that destabilization. The statistics of the resources that are allocated to the military are shocking.

Developed countries on average now spend 5.4 per cent of their gross national product for military purposes. Canada only spends .43 per cent on overseas development assistance. In the Third World three in five governments spend more on their military than they do on health care. It is a shocking statistic when you realize that the cost of three hours of arms spending would pay for the entire World Health Organization $260 million annual budget. We talk about what we value in our society and about children as our treasure, and not just a national treasure but an international treasure. I think that these statistics put the lie to that.

We have to do a major reassessment of our values and a reallocation of our resources if we are going to really address the situation of children, and not just in Canada which this bill of rights would do. This bill of rights for children, this commissioner for child protection and an emergency hot line would be an important symbol that Canada does care for its own children, that we value our children and that our whole community values reflect that.

In conclusion, I want to urge the government and the members of the Liberal party to support this motion unanimously.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I would like to address this motion on the advisability of a comprehensive bill of rights for children which would standardize laws throughout the country and which

would include a child protection commission and an emergency hot line for children.

The protection of children is one of the foremost duties of any society. We can only be as strong as our weakest members. I, therefore, laud the member for Mission—Coquitlam for the concern she has shown for all children in Canada in her motion on this matter.

Having said that, I would now like to turn my attention to some of the real difficulties faced by this motion. Canada is under a federal system of government with both levels of government, federal and provincial, having certain areas of responsibility under the Constitution.

Provinces have been allocated power over much of family law, including the welfare of children under section 92, subsection (13) of the Constitution Act, 1867, which gives to provinces the right to legislate with respect to property and civil rights in provinces. In the adoption reference of 1938, the Supreme Court of Canada determined that the welfare of children was a matter of provincial responsibility.

We have in Canada two basic types of legislation which afford protection to children, the criminal law which deals with the physical and sexual abuse of children and child protection legislation which deals with the involvement of the state where a child has been abused or neglected. The federal government has constitutional jurisdiction over the former and provincial governments have constitutional jurisdiction over the latter.

Provinces deal with child protection in a number of ways relevant to their individual circumstances and with a wide range of statutes covering such topics as adoption, child welfare, custody and access, and education. Each province has a government recognized body which has the responsibility for enforcing child welfare laws in order to protect children and provide services to the child and his or her family.

• (1750)

Given that these services are in place throughout this country, it does not seem to be advisable or necessary to involve the federal government in a long phase of negotiations to standardize these laws, removing flexibility from provincial legislation and challenging the constitutional authority which has been in place since 1867.

Further, I am not at all convinced that a central monolithic child protection commission would or could provide better services than those that are now provided by each province and territory, nor am I persuaded that it would be constitutionally correct.

The hon. member for Mission—Coquitlam has also included in her motion a reference to the need for an emergency hot line which children could contact in times of crisis. I would like to inform the House that the Canadian Children's Foundation has established a 1–800 number to serve just such a function. It is called Help Line and it is my understanding that it is enjoying considerable success. This crisis line handles calls from anywhere in Canada and refers children in distress to local authorities and services for assistance in dealing with their problems. This valuable service offers support and assistance to children from all across Canada.

Children are our most important asset, as I mentioned earlier. Our society will be judged by how well we protect them. There are, in addition to child protection laws, criminal laws which protect our children. In particular, this government can be proud of its achievements in the prevention of child sexual abuse.

In January of last year, Bill C–15 became law. This bill amended the Criminal Code and the Canada Evidence Act to better protect children and youth from sexual abuse by enacting measures to permit more young children to testify and to provide more sensitive procedures for obtaining their evidence. In addition new offences were created and certain outdated and confusing provisions of the Criminal Code were repealed.

The Department of Justice has supported this initiative through law information activities such as the easy to read booklet for children age four to ten. It tells them to tell someone if they have been sexually abused. We also have a book for adults telling them how to proceed if a child discloses an incident of sexual abuse to them.

Concern for children is expressed not only in the Criminal Code but in the federal government's family law legislation. The Divorce Act, for example, provides that the custody of a child is to be decided upon with a consideration of the child's best interest only. This makes it clear that the needs and the rights of the child

are the central and indeed the only concern of the courts when deciding the difficult question of custody of children.

The government has expressed its concern in other ways for children in situations of divorce through the Family Orders and Agreements Enforcement Assistance Act. This act plays an important role in the enforcement of child support payments, as well as the recovery of children wrongfully abducted from the custodial parent by the non-custodial parent.

All too often, it is sad to say, the parent who is to pay support for the child, and it is usually the father, economically abandons his child by not paying or by paying late or by paying less than was ordered or agreed to. The Federal Enforcement Assistance Act allows for the garnishment of designated federal funds to enforce delinquent support payments, and I understand that program has been a tremendous success, having intercepted a total of over $6 billion in the year prior to June 30, 1989.

In many instances the debtor father chooses to disappear rather than to pay child support. In such cases the federal government will search its information banks in an effort to locate the father, thereby aiding provincial authorities in the enforcement of the support order or agreement. Information will also be released where a non-custodial parent takes a child contrary to an existing custodial agreement.

The government's work in the areas of support and custody and the Criminal Code are simply a few examples of our commitment to the protection of all Canadian children. The value of children cannot be over-emphasized. They are the future of our country. This motion, however, fails in my estimation to significantly improve the lot of children in Canada.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, the motion which I would now like to address proposes that the government enter into negotiation with the provinces with a view to achieving a comprehensive bill of rights for children which would standardize laws throughout Canada respecting children.

This government recognizes that the basic rights of children is very significant. There are many existing laws, both federal and provincial, which have a bearing on children. Examples are the provincial child care protection laws and the federal Young Offenders Act and the Divorce Act.

I remind this House that all of the rights guaranteed by the Canadian Charter of Rights and Freedoms accrue to children as much as to any other person in Canada. Indeed, some of these rights relate in quite a specific way to children. For example, Section 15 of the Charter guarantees the right to equality without discrimination on a number of grounds including age, and Section 23 provides for certain minority language education rights. None of these laws sets out in a comprehensive way the basic rights of children per se.

The question that we must now consider is whether it would be appropriate to begin negotiations with the provinces with a view to achieving a comprehensive bill on this subject.

One very relevant consideration is the stage of development in the draft convention on the rights of the child. After 10 years, almost a decade of work by the United Nations working group to complete the drafting of this complex and important convention, it was adopted by the United Nations Human Rights Commission about one year ago in March 1989. There appears to be an excellent prospect that it will be finally adopted by the United Nations General Assembly later this year. That will become open for ratification by all the countries of the world.

• (1800)

This draft convention on the rights of the child is very comprehensive in nature. It includes social and economic rights, such as those relating to social health and education security, as well as the sort of rights we find in our Charter. That is the fundamental freedoms of religion, freedoms of expression, freedom of association and freedom of assembly and also certain rights relating to the criminal process.

The draft convention on the rights of the child also contains many provisions in the area of family law, dealing with such matters as adoption, the resolution of custody disputes and measures relating to family reunification where parents decide to reside in different countries.

This country has been very actively involved in the drafting of this United Nations convention. A federal-provincial working group has met every year since 1981 to determine what should be the position of Canada on many issues regarding it. Many Canadian proposals have served as the basis for negotiations by the United

Nations working group. I understand that at the last federal-provincial-territorial ministerial conference on human rights, the human rights ministers recognized the active role of Canada in drafting the convention and agreed to continue their co-operation on this subject.

It is a matter of high priority that federal and provincial governments continue their co-operation on this very important convention. When it becomes open for ratification, the federal and provincial governments will all need to review Canadian legislation to ensure that Canada is in a position to ratify it. Then Canada will have to prepare an honest report to the United Nations Committee on the Rights of the Child on measures Canada has taken to ensure that children here have the benefit of the rights provided to them in this United Nations convention.

This future process, relating to the draft convention on the rights of the child, will be a very helpful initial step toward determining whether it would be appropriate to have a domestic bill of rights for children and just what rights it should contain. For the moment, we should focus our efforts on this United Nations initiative regarding children's rights before we consider starting on a similar idea in the domestic area.

As I mentioned earlier, the Charter applies to children and some of its provisions deal with them in quite a specific way. There are already a number of Charter cases relating to children, to such questions as the confidentiality of proceedings involving young offenders, or the various age limits that are found in the Criminal Code, especially regarding sexual offences. It is not as yet clear just what all the implications of the Canadian Charter of Rights and Freedoms will be for children. Until Canadians have a better idea of the nature of children's rights under the Charter, it would be too early to begin writing a children's bill of rights.

There is one last concern of a constitutional nature that I will briefly draw to the attention of the House. The motion does not make it at all clear who is expected to enact the proposed bill. Is it to be the federal government or is it to be the provinces of Canada? Much of the jurisdiction over children lies with the provinces. Unless a constitutional document is contemplated, I question how one comprehensive bill of rights for children could be enacted in a federal country such as Canada. As my colleague from Halifax West pointed out earlier, this is an obstacle that, indeed, we must overcome.

To summarize, considering our current commitment to ensure the successful completion, ratification and implementation of the draft convention on the rights of the child, and because of the Constitutional division of powers in Canada that I have just mentioned, it would not in my view be advisable for the government to support this motion.

• (1805)

[*Translation*]

Mr. Jacques Vien (Laurentides): I welcome this opportunity to make my contribution as did those who spoke previously on the very important subject of rights for children in Canada. I want to thank the hon. member for Mission—Coquitlam for presenting this motion. In the course of this debate on providing a comprehensive Bill of Rights for children, a number of members mentioned developments on the international scene. In fact, several members suggested that instead of drafting a Bill of Rights for children, Canada should concentrate on the United Nations Convention on the Rights of the Child. I support this suggestion which, I think, is a realistic approach to enhancing the protection of children's rights in this country.

Mr. Speaker, at the beginning of this debate, when we heard references to the United Nations Convention on the Rights of the Child, we knew the General Assembly had not yet given its final approval. That important step was taken on November 20, 1989, when the General Assembly adopted the Convention on consensus. As a Canadian, I am proud of the leadership shown by my country in drafting and adopting this very important instrument. Now that the Convention has been adopted, the matter of signatures and ratification by Canada can be considered.

As the debate on the motion before the House progressed, it became increasingly clear that many, if not all aspects Canada intends to cover in the Bill of Rights for children had already been covered by the United Nations Convention on the Rights of the Child. Members who raised this point mentioned a number of major problems that made it necessary to improve child protection, including poverty, mistreatment, needs of disabled children and children suffering various forms of mistreatment or abuse. All these problems would undoubt-

edly be given considerable emphasis in the proposed Bill of Rights.

However, the United Nations Convention already deals with this aspect and with many others, and it sets standards for the States that become signatories to this instrument. For instance, it contains several provisions relating to poverty, including article 27 which acknowledges the right of a child to a standard of living that is sufficient to provide for physical, mental, spiritual, moral and social development. The same article asks States to take the appropriate steps to help parents and other individuals responsible for the child to implement that right and in case of need, to offer material assistance in acquiring food, clothing and shelter. The general question of poverty arises in other articles of the Convention relating to the health, education, survival and development of the child.

Mr. Speaker, child abuse has to be one of the most prevailing and tragic problems encountered by underprivileged youngsters these days. In that respect the convention sets standards designed to protect children who are victims of abuse and holds governments responsible for intervening on their behalf. More significant still, the convention requests that signatory governments take all appropriate steps to ease the child's physical and psychological rehabilitation as well as his return to society. The rehabilitation programs advocated in the convention are not designed only for children who are victims of violence and sexual abuse, but also for those who are subjected to other forms of abuse, negligence, economic exploitation and drug use.

• (1810)

In addition to these articles of a general nature which apply to handicapped children as well, the convention includes specific provisions aimed at offering better opportunities to these children. Article 23 spells out the role governments are expected to play to ensure that handicapped children benefit from, in the words of the convention, "as complete social integration as possible and their personal development".

Mr. Speaker, the debate on the motion introduced by the Hon. Member for Mission—Coquitlam and the special debate on child poverty in Canada which was opened by the former leader of the New Democratic Party have made it possible for all Members of the House of Commons to reaffirm their commitment with repsect to the need to uphold the rights of children in Canada.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 96(3), the order is dropped to the bottom of the list of the order of precedents on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

UNEMPLOYMENT INSURANCE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise on the adjournment debate on the question that I put in the House on September 28, 1989.

The question was as follows:

> Since last April the government has been telling Canadians that not many people would be hurt by the unemployment insurance cuts. They said only 30,000 people would be unable to obtain benefits. Statistics Canada has contradicted the government. It says that 130,000 people will lose all of their benefits. Thirty times more people will be hit in Newfoundland alone than the government had admitted to.

I went on to say:

> My question was for the Prime Minister. Would the Prime Minister confirm that by Statistic Canada's own analysis there will be 130,000 Canadians who will lose all their benefits. And would he also confirm that his government's own stats have been a dramatic understatement.

The Minister of State for Employment and Immigration and Minister of State for Seniors responded by saying:

> I am pleased to tell my colleague that since our government took office we have created 1,500,000 jobs including 878,000 for women.

She went on to repeat that what they were trying to do with unemployment reform was to make the system fair and equitable.

The minister did not respond directly to my question and that is why I feel very strongly about coming before the House and putting the discussion on the table.

My supplementary question was to the minister. I asked her if she was telling us that she was really not aware of the horrible impact these measures would have on the unemployed and, if she was aware of them, did the government still allow incorrect numbers to be released. The minister responded by saying that she personally was responsible for the department that oversees Statistics Canada and she has confidence in Stats Canada's data. That was not what I had asked her. I had asked her if in fact she had allowed incorrect numbers to be released.

She said:

> I also know that the data I just quoted you truly reflect the job creation situation.

It seems that this government is so enamoured with the McDonalds burger type of jobs they create that it becomes impossible to get them to speak about Bill C-21, the Unemployment Insurance Amendment Act. It is impossible to get them to talk about the impact of this act on the unemployed in the country. Indeed, what we find is that we are constantly being told about how many jobs have been created in Canada. When we try to talk about the Unemployment Insurance Act nobody is saying that there have not been jobs created in Canada. We might argue the degree or the quality of jobs, but we are not arguing whether or not jobs have been created. What we are arguing about is unemployment insurance and trying to get this government to talk about and think about the impact of the changes of Bill C-21, the impact on people in the country, men and women. I have all kinds of statistics I can throw out here today, but throwing around statistics does not address the issue of the man who is unemployed in Newfoundland, the woman who is unemployed in the Northwest Territories or the family with both adult workers unemployed in British Columbia, or in my own riding of Mission—Coquitlam for that matter.

• (1815)

I would like to address the question of an interim report called: *Regional Unemployment in Canada: A Nation Out of Balance*. That report came from the Canada Employment and Immigration Advisory Council. It was completed in November 1989 and released by the minister in February 1990.

I want to speak to this report because prior to this life as a member of Parliament, I sat for two terms on the Canada Employment and Immigration Advisory Council. The council is made up of 21 members. There are seven representatives from labour, seven from management and seven NGO representatives. I have sat through many a long meeting on that advisory council where we knocked heads and came out with a common theme representing the views of the labour movement, the corporate community including the Chamber of Commerce and bankers, and the views of the non-government organizations.

That advisory council came out with this report that was critical of the way in which the Department of Employment and Immigration addresses the problem of regional unemployment. The report states that decisions on behalf of communities are usually made in larger centres by people who are not familiar with the local needs and conditions. Regional development programs in particular have a dismal record of failure. But the effectiveness of federal training programs has also left the regions with large accumulated training needs.

The report goes on to say that for regions to assume greater responsibility for their own development, it will involve not only the efforts of the community but those of the three levels of government and other major institutions. This process will demand a devolution of power and decision making from the centre to the communities. This will probably encounter considerable opposition from an entrenched bureaucracy but it is a necessary step toward local revitalization.

I would hope, Mr. Speaker, that this is not a situation where yet another advisory council of the government is being muzzled but in fact a situation where a very thoughtful group of senior Canadians is taken seriously about the effects of unemployment, its impact on average, ordinary, working people who want to work and who

do not want to be displaced or reconditioned and indeed, who do not believe that this country owes them a living. They want to work for that living.

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on April 11, 1989, the government released a policy paper entitled, *Success in the Works* outlining a labour force development strategy for Canada. This paper announced a number of changes in the unemployment insurance program. In August 1989 the Department of Employment and Immigration announced the financial impact of these changes.

The analysis revealed that the reallocation of $1.2 billion within the UI program represents less than 10 per cent of the current UI program expenditures. In addition, it was shown that only 30,000 claimants out of a total claimant population of 2.7 million are expected to be unable to meet the new entrance requirements. In a province like Newfoundland, very few people will be unable to meet the new entrance requirements. This reflects the fact that the changes were so designed as to concentrate the impact on the relatively buoyant regions.

What has happened is that Statistics Canada produced some numbers and those numbers were taken by the CLC and other people and interpreted. We had the representative from Statistics Canada, Mr. Petrie, and Mr. Carin from the Department of Employment and Immigration before the committee. I have several pages of the committee's *Hansard* showing the hon. member trying to get the department officials to agree with the analysis of the CLC. Time after time they said: "No, that is not the interpretation that we put on those numbers at all".

• (1820)

It should be noted that these impacts do not include the positive effects of the increased expenditures on training and re-employment measures. The hon. member accuses the government of understating the effects on Canadians, and she quotes other impact studies that are more to her liking since they overstate the impacts.

The figures released by Employment and Immigration Canada are the most reliable and accurately reflect what Canadians can expect from the structural changes in the UI program.

[*Translation*]

SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, if I rise tonight to take part in this adjournment debate, it is further to the question I directed to the Minister of Finance (Mr. Wilson) on December 20, 1989 concerning of course the small business and the GST. It is a major issue of great concern for many small businessmen who will certainly be faced with a nightmare when the times come for them to try and deal with the Minister of Finance's new tax which comes into effect on January 1st, 1991.

As a member of the Finance Committee, I had an opportunity to travel everywhere in Canada and to listen to the various Canadian organizations which made representations to us concerning the various problems associated with GST.

Mr. Speaker, one of the areas which will truly be a source of nightmare is that of food because there are stores which serve coffee, biscuits, donuts and so on. Therefore, it will complicate things. We had insisted with the Finance Department people that something had to be done to remedy the situation.

Tonight, during the short time at my disposal—as a matter of fact, I spent the day trying to make the Minister of Finance understand, but I suggest he is not willing these days to listen to what Canadians have to say.

In the technical paper entitled *Goods and Services Tax* which he tabled in the House on December 19, 1989, the minister recognized the existence of this problem and stated that two changes would be made to the GST legislation to eliminate these competitive imbalances.

First of all, yogurts, pudings and drinks other than unflavoured milk, sold in individual portions will be taxable. However, when these same products are sold in a package containing several individual portions, they will remain non taxable, because they will resemble more basic groceries.

Mr. Speaker, I am sure you have convenience stores in your riding. Think of the little corner stores. How will they deal with the accounting aspect of this problem? I am sure also that you remember the commitment the government had made that this tax reform would simpli-

fy things. I have just referred to this technical paper to show you that it will only complicate them.

When I hear the government suggest that small businessmen agree with the minister—-an honourable member opposite may say: If you are against, it is because you sit in the Opposition. He should talk to the people. Personally, I have in mind the pre-budget brief which John Bullock submitted to the Minister of Finance. Mr. Speaker, you will admit with me that this gentleman strongly defended in the past certain economic policies put forward by the Minister of Finance.

This is not someone who always speaks out against the Minister of Finance. I might say he is nearer your right than your left.

Yet, in his brief, he submits that it will be necessary to keep a purchase record for each bill to be able to distinguish between the provincial sales tax and the federal sales tax. Do you realize that small businessmen will be compelled to have sales records simply to identify their goods. They will have to keep purchase journals, cash payment journals, revenue journals, a whole accounting systems they could certainly had done without, Mr. Speaker.

• (1825)

Now, things are getting increasingly complicated. The same organization refered to the GST in this brief to the Finance Minister. In the part which are quoted today, he foresees that the small foodstores will have to close because it will get too complicated.

But the central issue in this report has to be the survey conducted among small businesses after the rate was reduced from 9 to 7 per cent. That is what carries weight, Mr. Speaker. Down from 9 to 7 per cent, yet it did not solve the problems of small businesses. Indeed one such survey indicates that 68 per cent are against the GST. I am referring to an Angus Reid survey carried out on behalf of the Canadian Federation of Independent Business. And even when they point out that the tax rate has been lowered from 9 to 7 per cent, Mr. Speaker, 83 per cent still cry foul. Just changing the rate does not mean anything, because we know this government very well. Even the federal sales tax which was supposed to be killing jobs went up 4.5 per cent over the past five years. Small businesses obviously did not swallow that.

Mr. Speaker, you are signaling that my time is up. In conclusion I want to tell the House and all Canadians that 83 per cent of small business operators are against the GST, and my hope is that when the Minister of Finance wakes up tomorrow morning he will decide to repeal this tax.

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the GST is not an administrative nightmare as the member alleges and the government has not abandoned the small business community. For most businesses the GST is a straightforward system similar to that used by small businesses in almost 50 countries in the world, including England, Japan, West Germany, France and New Zealand.

Mr. Gagliano: They don't have nine provincial sales taxes.

Mr. Kempling: In fact, of the world's 24 most industrialized economies, the OECD nations, 19 already have a sales tax system of this kind.

The GST will replace the existing federal sales tax which has been in effect since 1924, which is now outdated and harmful to to the Canadian economy. The purpose of this change is to stimulate economic growth and foster an environment which will benefit every sector and every region of the country.

Mr. Gagliano: Why don't you check how many have a provincial sales tax?

Mr. Kempling: You might learn something if you listen.

The existing tax is not a tax on manufacturers, but is a tax on manufactured products. As a result, it impacts on every business in the country, large or small, because businesses buy manufactured products to produce the goods and services they sell. Under the GST the cost of doing business will be less because, while most businesses will charge tax on the domestic sales, they will claim a credit on the tax paid on all their business inputs, the goods and services used in the course of doing business. On the whole, documents used to support input credit claims will be virtually the same receipts and invoices currently retained by businesses for income tax purposes.

As a result, there will be a minimal number of changes in existing business practices for most businesses and the

GST will be straightforward, simply the subtraction of tax paid on purchases from the tax charged on sales.

However, the government recognizes that many small businesses have limited administrative resources. Consequently, a number of special measures will be adopted to further minimize the overall compliance burden for them. These measures include a sales tax threshold below which vendors will not be required to register, collect or remit GST; optional annual reporting to reduce the frequency for GST remittances; government assistance to upgrade cash register systems for automatic calculations of GST and provincial retail sales taxes; streamlined methods of accounting to simplify check-out counter procedures for retailers who sell a combination of taxable goods and tax free basic groceries; and a transitional credit of up to $1,000 to help ease the transition of the new system.

• (1830)

I might say, if the hon. member wants to look into it, the procedure required by small business to claim federal sales tax today, the manufacturers' sales tax, is an absolute nightmare. I know. I have run businesses, and I have had to do it for years. I know what you go through. You do not know what you are talking about.

Mr. Gagliano: I have been doing their books for many years.

JUSTICE

Hon. Bob Kaplan (York Centre): Mr. Speaker, the parliamentary secretary is having a bad night.

Mr. Kempling: I'm having a good night.

Mr. Kaplan: He is getting good questions, tough questions, but he is not giving good answers. However, I would like to give him one more chance by referring to the question I asked the Minister of Justice as long ago as October 2, 1989. October, November, December and January have gone by.

I will refer to a portion of the answer of the Minister of Justice in a moment. I think it is at least time to get an update on the action promised by the minister in the answer he gave me to my original question.

I was talking about the lack of a sense of urgency on the part of this government in dealing with the drug problem in our country. It is a problem which, at the level of rhetoric, has attracted a lot of government interest, but at the level of action has attracted a lot less.

I was asking about measures the government brought forward, which we gladly assisted in putting into the law of our country, to permit the law to pursue the proceeds of crime into whatever apparently honest dealings or honest forms they might have taken after the crime was committed.

The legislation went through but I think the government has gotten cold feet. I say that because the legislation has been used very little, and necessary amendments recognized by the government and supported by us have not been brought forward to make the legislation stronger.

We learned, and I think the minister was one of the first to comment publicly, that a lot of municipal police forces are refraining from using this section of the Criminal Code because, as they say, it is an expensive procedure for them to use. If they result in nailing some criminals and extracting the proceeds, those proceeds have to be turned over to the federal treasury.

I rose and asked the minister about the idea of allowing the municipal police forces who get the proceeds, who go to the expense, or the provincial governments behind them that go to the expense of expropriating these proceeds, to keep them. He said: "That is a good idea". And it was a good idea.

Then he added, and this was last October:

> As I said, we are looking into the matter. As soon as we have established the rationale on what action could be taken we will take that action.

[*Translation*]

Well, Mr. Speaker, the minister did promise to follow up on this. And now, a few months after he made that commitment, I am asking him what have we got? I am aware that no legislation has been proposed, but is he going to take action soon? In a spirit of co-operation, will he tell the other government levels that they can expect to keep the proceeds of crime, in accordance with the law and Bill C-61?

Mr. Speaker, I conclude by saying that I am not an enthusiastic admirer of the American administration, not really. But they did experience a drug crisis and take action. Right now the President of the United States is risking his life to go to Cartagena in Columbia where he is not particulary welcomed, just so he can keep up the fight against drugs. Whether you approve of his policy or

not, you have to admire what the president is doing. I am not suggesting that the Minister of Justice should court danger. No, but I expect him to act on the the promises and commitments he made.

[*English*]

Mr. Bill Kempling (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, an act to amend the Criminal Code, the Food and Drugs Act and the Narcotic Control Act, or Bill C-61, came into force in Canada on January 1, 1989.

The law is based on the premise that the best deterrent and punishment for profit-motivated offences associated with organized criminal activity is the confiscation of the illegally acquired assets.

As a result of the amendments, the courts have been empowered to order the forfeiture to Her Majesty of certain proceeds derived from crime.

• (1835)

It should, however, be pointed out that only that portion of forfeited proceeds that exceeds the amounts that may be ordered returned to any victims of the offence, actually accrue to the government since priority will be given to use the property of an offender to make restitution to the victims of the crime.

Under the Criminal Code the surplus portion of the proceeds goes to the provinces under section 723(1) for Criminal Code offences whereas drug proceeds go to the federal government.

Municipal officials have expressed their concern over the disposition of the forfeited proceeds of designated drug offences. They have asked that the proceeds accruing to the federal government be directed to the municipally-controlled police force that assumed the expense of enforcing the law under which the forfeiture was imposed. The Minister of Justice has asked his officials to examine these questions, and they are doing that. The minister assures me he will be reporting in the very near future.

What must be emphasized, however, is that the basic philosophy and deterrent effect of the law, which is to remove the incentive of committing profit-motivated offences by depriving the offender of the proceeds of such an offence, will be maintained. The impact of the law on the accused will not be influenced by who will receive the benefit of the forfeited proceeds.

The strength of this legislation must not be measured merely by its profitability to one authority or by its global impact on crime. Our government will surely guide its actions on this basis.

I would also like to mention other important facets of the law.

In the absence of the proceeds or where they have been commingled with other property, sentencing courts may impose a fine in an equivalent amount in lieu of the forfeiture. The court will impose in default of payment a term of imprisonment related to the amount of the fine. This period of imprisonment will be served consecutively.

As a protective measure the courts also have the power to order the pre-trial seizure or restraint of proceeds of crimes. Access to income tax information can be made available for drug proceeds investigations.

Protection from civil or criminal liability is extended to persons who disclose to authorities their reasonable suspicion relating to the commission of enterprise crime offences or of designated drug offences.

A new offence of laundering has been created and applies to any person who knowingly deals in the proceeds of specified crimes with intent to conceal or to convert them.

As you can appreciate, Mr. Speaker, this law not only has a practical impact on offenders but also serves as a deterrent to potential offenders. Due consideration will be given to measures likely to improve its implementation.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.38 p.m.

HOUSE OF COMMONS

Friday, February 16, 1990

The House met at 10 a.m.

Prayers

POINT OF ORDER

HOUSE OF COMMONS PROCEEDINGS

Mr. Speaker: I have a point of order from the hon. member for Beaver River.

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise on a point of order to express great disappointment over the events in this Chamber yesterday.

I spoke with the government House leader yesterday about the timeframe for the debate on linguistic dualities and the Meech Lake Accord which the government had put forward. He assured me the debate would be going on for three days because it would not be democratic not to let everyone have his or her say. I agreed, and asked him to let me and my office know if there was any change, and he said he would.

After Question Period yesterday the government House leader reiterated in the Chamber what he had told me earlier. The only question was when would be the appropriate time for the vote, so that all members could be present to get their names on the record. In regard to the timeframe, I refer to yesterday's *Hansard* at page 8400, where the government House Leader said:

> The debate will continue tonight with 20 minute speeches until such time as the last person speaks. When the last member is finishing speaking we would simply adjourn until tomorrow. That same arrangement would take place on Monday.

Of course, I believed that. As you know, Mr. Speaker, the debate ended almost as soon as it began. After one speaker from each of the three parties, the motion was immediately put and passed. I had left the Chamber shortly before that, as I was due to catch a plane to my riding. I was prepared to speak and could easily have been here when the debate ended. In fact, I arranged and now, again, have rearranged my travel schedules to accommodate that timetable.

• (1010)

Unfortunately, what we saw yesterday was a sad display of gamesmanship. I find it appalling that an issue so sensitive, so necessary to be looked at in an objective manner, could be scornfully dismissed by three carefully orchestrated speeches.

The issues in the motion yesterday are divisive and are tough issues for all of us as parliamentarians. There is dissent on Meech Lake and linguistic duality in the House and the public knows it. That is why these matters must be debated here.

The real danger to a democracy is when legitimate dissent becomes restricted to only extreme groups far removed from legitimate institutions. That, I believe, is a real danger in the country today, as illustrated by the events of yesterday. I want to put on the record that I am displeased with what went on, and I am sure the Canadian public who watched this on television was equally appalled.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to make a brief intervention. Acting on my party's behalf yesterday morning, I met with the government House leader and the House leader of the Official Opposition.

At that time I raised the proposal that the Liberal Party and the New Democratic Party had put forward to the government to have an identical motion and, in effect, to have the leaders of each of the three parties speak to the matter and then proceed to other business. I was advised that no, the government was continuing with their efforts to schedule the debate over the next period of time and not just yesterday.

I so advised my leader who had been prepared to cancel her travel plans in order to be here. When I advised her that there would be further opportunities next week to participate in the debate, she decided to go ahead with her plans to travel into Quebec, and did leave, which was an interesting feat given the weather yesterday. That is why she was not in the Chamber

yesterday for this very historical debate. I know that she would want me to indicate to the House and to citizens watching that it had been her intention to speak on this matter.

I regret that events unfolded as they did, with the government deciding to shorten the debate, keep it at a high level—which I think is something we all should be pleased with—and have the vote yesterday afternoon, which we did.

I regret the way events proceeded. It is an indication of how we are not really negotiating the way we should on a number of matters to make sure that the House operates smoothly.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I just want to be very clear on what happened yesterday.

The House will know I went on the record during what is known as the business statement immediately after Question Period. I suggested at that time that we were prepared to have an extended debate, with the proviso that there be no dilatory motions and that when the last speaker finished speaking on Thursday night, the debate would adjourn to Friday and Friday's debate would adjourn to Monday. We were prepared to extend the hours on both evenings. Both the Liberal Party and the NDP refused the offer for extended hours and I see no difficulty in that. The offer was made in good faith and accepted by the House in good faith. That was the basis on which we were going to call the debate.

The leader of the Opposition stated very clearly, as reported at page 8408 of *Hansard*

> —we will support this resolution because, above all, it calls for the reaffirmation of the importance of bilingualism—

That is on the record.

When the hon. member for Yorkton—Melville spoke on behalf of the New Democratic Party he said, "We support the resolution before the House today".

We had a debate joined by the representatives of all three parties in which it was made very clear that all three parties in the House were going to support the debate. I do remember speaking with my hon. friend from Beaver River. She asked me in my position as Government House Leader how I thought it would work. I said here is what we are proposing to the other two parties. I said I did not know whether they would accept it or not. As it turned out they did not accept it.

Now this is the situation. The House will know, members who are here will know that when debate collapses on a motion a vote can be called by the Chair. I suggest that is exactly what happened. The three parties had discussions. The House will know there was excellent attendance in the House yesterday for a major speech. As I told my friend, during the speech of the leader of the Liberal party the Prime Minister and I discussed it with the Deputy Prime Minister and other colleagues. We decided that since there was a good tone coming from the Liberal party's speech that we would see if there was a disposition at that time to have a unanimous resolution of this House for all three parties to enjoin and speak out for Canadians on this very important principle.

I guess I have to say that a lot of hours go into this job from everybody. Being a member of Parliament means that you have to be on top of what is going on in this House while the House is open and sitting. If you cannot be there yourself then you have party people who keep you advised as to what is happening and what your responsibilities are. If you do not want to go through your party officials you can always ask the Table. The officers would have told you that if debate did not go until 5.12 yesterday that the question could be called. That is what happened. It was done with the unanimous endorsation of the leaders of the three parties who represent some 294 constituencies in this country. We spoke out on this very important principle affirming that this is a bilingual country, supporting Meech Lake and the Official Languages Act and I submit, Mr. Speaker, that any elected MP who wanted to be here to speak on that issue knew it was going to be called—it was very clear—and should have been here to make his or her speech and support the resolution.

We have done that. I believe we are fully on the record as to what we were trying to do at the time we were trying to do it. Events changed. Everybody who is here knows that this is a very fluid place and that things happen. Sometimes things look like it is impossible that they will take place and suddenly you have consensus. Yesterday we had that consensus among the three major parties in this country. We reaffirmed a very basic

principle which is fundamental to this country. We did it unanimously and I think we can all be proud of it.

Miss Deborah Grey (Beaver River): Mr. Speaker, I certainly appreciate the comments of the Government House Leader. I must say I find it ironic that yesterday in the speeches we heard about tolerance for minorities. Certainly sitting as one member representing the Reform Party in the House of Commons found that it turned around and this minority was not respected.

We all know that I have every right to be consulted about unanimous consent in this House. I have tried to be very fair- minded in my tenure here, that I would not try to cause problems and hold up the proceedings of this House. However, I do have to say it was amazing that all that happened as soon as I left the Chamber.

I will also say in response to the Government House Leader's comments—and I will finish with this because I know we have other business to get on to—that the Government House Leader has just said that debate collapsed yesterday. Mr. Speaker, you know that the deputy House leader was here. I refer to page 8414 of *Hansard* yesterday where the Acting Speaker did not even call for further debate. I know that he generally says "resuming debate". He immediately asked: "Is the House ready for the question?" We see another member screaming "no". The Acting Speaker said: "I am sorry I cannot recognize the hon. member. He is not properly dressed." That is fair enough. That presents another problem here.

I think what is so appalling and many Canadians also find appalling is that no chance was given. I have heard from several of my friends on the other side that they were very surprised at what happened. I want it clearly on the record that Canadian people are seeing this, expressing frustration and in fact shrugging their shoulders saying: "There they go again in the House of Commons".

• (1020)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I listened with interest to the comments by the Government House Leader. I just want to correct the record slightly. The minister left the impression that the House Leader for the Liberal Party and the House Leader for the NDP categorically rejected any extension of hours. I refer you, Sir, to page 8400 of *Hansard* of February 15 where the member for Kamloops, the NDP House Leader, said:

> It is not clear to me yet about the additional hours today and additional hours again on Monday to allow all members a chance to participate in the debate.

Further on the same page the member for Ottawa—Vanier on behalf of the Liberal Party said:

> I do not want the minister to think for one moment that we want to extend or prolong this debate indefinitely.

The inference in both cases, Mr. Speaker, and in fact if you look at the comments from the Chair the Acting Speaker said:

> We have had enough negotiations. I think what the House Leaders should do is have their negotiations and we should carry on with Orders of the Day.

This clearly infers the tradition of this House that the House Leaders will meet behind the curtain to work out the process. We were quite prepared to go along with extended hours.

Some hon. members: Oh, oh!

Mr. Angus: Mr. Speaker, I was involved in discussions. There seems to be some reaction from across the floor. We had not said no and we were quite prepared under reasonable circumstances to go ahead with extended hours but we wanted to know how long, how many speakers, all of those kind of things which we normally try to determine ahead of time. We did not want an open-ended situation where we were having speakers at three or four o'clock in the morning. That is just to add that, Mr. Speaker, to your considerations.

Mr. Speaker: The Hon. Member for Beaver River has risen and has expressed what I must accept as her very great concern at for whatever reason not being able to take part in the debate yesterday. She has eloquently put her position. I have listened to the Minister of Justice. I have also listened to the hon. member for Thunder Bay—Atikokan.

Even if it was my intent to do so, there is nothing that the Speaker at this point can do to undo what took place yesterday. I know all hon. members will understand that. In any event, I think that this exchange indicates the necessity at all times to have the clearest understandings between members and among members and certainly

among party Whips and party House Leaders. It is also, I think, incumbent upon all members of the House to realize that consent is not found always just by the three House Leaders. The hon. member for Beaver River is a member of this House and when consent is being sought in the normal circumstances the hon. member should also be consulted.

I do want to deal with one thing here because hon. members no doubt might be concerned and so might the public. I am looking at the Commons debate for yesterday and I should say that I was in the chair during most of that debate. I had to leave at the latter part of it for other duties on behalf of all of the members of the House. But in any event, the Speaker who was in the chair was in this position. The debate ended and except for one member—and I will come to that, and I may have to deal with it at another time—who the Speaker did not recognize because he was not properly dressed, there were no other members rising. The Speaker said: "Is the House ready for the question?" There was no vote. It was a unanimous reaction from the House and the debate was closed.

The Hon. Minister of Justice has said that things happen in this place sometimes very suddenly, and they do. I would urge all hon. members that when discussions take place to try to keep in mind that if what seems to be certainties are changed, hon. members will have to keep that in mind. At the same time, as much as is possible, let us try to remember that if understandings are reached or apparently reached and then events change, it can lead to disappointment and sometimes complaint.

I thank the hon. member for raising the matter. I thank the Hon. Member for Thunder Bay—Atikokan. I must also keep in mind what the Hon. Minister for Justice said. This House can act sometimes very quickly if there is a consensus to do so. That is what happened yesterday. I regret, as I am sure other colleagues in the House do, that if there were members who wanted to be in a debate later on and now find that because of what the House did by unanimous act they are precluded, that is regrettable. But, again, the House does sometimes move very quickly, especially when there is unanimity in the House.

GOVERNMENT ORDERS

[*English*]

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Secretary of State for External Affairs) moved that Bill C–25, an act to amend the Geneva Convention Act, the National Defence Act and the Trade–marks Act, as reported (without amendment) from a legislative committee be concurred in.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Lewis (for the Secretary of State for External Affairs) moved that the Bill be read the third time and passed.

Mr. John Brewin (Victoria): Mr. Speaker, I rise on behalf of our party to address a few remarks on Bill C–25 before it receives final approval by the House.

Bill C–25 is an act which will amend technically the Geneva Conventions Act, the National Defence Act and the Trade–marks Act. But the effect of the act is to bring the statutes of Canada into conformity with the protocol signed by the Government of Canada as part of the Geneva Convention process.

In 1977 in Geneva, two protocols to the 1949 Geneva Conventions were achieved. This bill seeks to ratify the two protocols.

Canadians will be familiar in general terms with the Geneva Conventions. These conventions provide a framework in international law for the conduct of affairs between nations, particularly in time of armed conflict. It is a development and codification of humanitarian rules and principles and rules of conduct in war.

• (1030)

I suppose many Canadians would appreciate that in some sense there is a contradiction in terms. The idea of humanitarian rules applying in war would seem to jar the ear. Yet, throughout history states have developed ways of dealing with the atrocities and excesses that occur in war. In a sense until recently the human family has understood that war sometimes occurs and there needs to be constraints and rules even in the conduct of armed conflict.

Over the centuries these rules have developed into a formal body of international law which was well respected. During the Middle Ages, for example, so powerful was the understanding of the needs to abide by what was understood to be God's law, the sides would have an automatic truce on the Sabbath or would stop fighting on Christmas Day. These ideas have even persisted into the current times.

In this century we have seen a change in the approach to war which has virtually obliterated some of the constraints that have applied. Perhaps out of what has happened in this century will come what we all hope to achieve, which in the final analysis is the end to war and armed conflict in itself.

What we have seen in this century is the increasing involvement of innocent civilians in armed conflict and in war. This was one of the provisions of international law which was thought to be clear. War which involved innocent civilians was illegal in international law and could not be pursued by states and subjected those states that went after innocent civilians and involved them in war to liability after the war was over.

We also had rules which dealt with the impact of war on prisoners of war and on those who were caught up in the conflict in that fashion. Those rules emanated from an entirely sensible understanding that there would be prisoners on both sides. Both sides in conflict understood the need that if their prisoners were to be treated humanely, the prisoners of the other side had to be treated humanely. There were efforts during periods of peace and sometimes even during periods of war to work out the details of that conduct. Those details and that conduct were codified in the Geneva Conventions which prevail today as a fundamental bulwark of international law.

As I mentioned, in this century what has happened is that the power of science applied to war has almost inevitably caught up innocent people in the impact and the ferocity of war. We have seen not only in the First World War the use of chemicals and the devastation caused to communities in Europe and to those who participated in war. We began seeing in the period after the First World War the terrible consequences on wide sections of the population even in civil wars such as in Spain, or on the impact of prisoners in many other areas, in the brush fires that took place and the more geophysically limited wars that took place before the First and Second World Wars.

Of course in the Second World War we saw and understood the horrors of the Holocaust, the devastation and the obliteration of whole communities on both sides by bombing, the terrible impact on prisoners of war, and the widespread effect that new methods of destruction wrought on the world community.

That led in the period after the Second World War to a renewed look at these conventions. It was out of that process that the protocols which are considered part of this bill and are adopted by this bill were developed. Canada was quite properly a signatory to these protocols and because of that the protocols have for practical purposes been part of our law ever since.

This bill would take those protocols and now make sure that the statutory law of Canada conformed with the protocols in the Geneva Conventions. While the bill in its particular language is relatively short, while it has only nine sections, it adopts protocols which are schedules to that act.

The protocols have two specifics. The first deals with the impact of protection of prisoners of war; the other with rules regarding children in armed conflict.

It is important that this Parliament pause for a moment as it moves toward passing this legislation to reflect on the issues which are addressed by the legislation in a broader sense. We should pause for a moment and consider where this country stands and where it is going on the issues of the impact of international armed conflict on humanity and the role that this country is taking in the broader question of trying to end armed conflict at all.

I should also say that it is important to understand that these protocols extend the rules of conduct in international conflict to civil wars, to liberation wars, and to the impact of battles in El Salvador, for example on civilian populations, and to prisoners of war taken in those conflicts.

It is important to note that there are now indications that the American government is having second thoughts about these protocols for the very reason of

their impact on civil wars in Latin America. It is important that this government make it very clear to the American government that we expect the American government to continue to comply with the protocols and to insist that clients of the American government comply with the protocols.

I have to say that as we look at the protocols, it raises the question of the extent to which Canada has insisted upon compliance by other states with international conventions. It is not enough to adopt law. It is not enough to adopt conventions. It is not enough to adopt these protocols, but we must insist that the protocols, the conventions and the law be complied with.

One of the great difficulties at the international level in developing a body of international law is the enforcement of international law. There is no equivalent of a national or local police force as we have in our communities that has the responsibility to intervene when there a perception that the law has been broken and to ensure that the law breakers are brought to justice. There is no equivalent of a comprehensive court system that has the power to sanction illegal conduct and to impose sanctions on those who were found to be in breach of the law.

Internationally we are at a very primitive stage in enforcement of compliance with international law. The only way at this stage that we can begin moving from the primitive level to a more sophisticated level is through governments insisting with other governments that the law be complied with; that the diplomacy, if I can use the term in the used classic sense, be used to encourage an instinctive compliance with the law and that the international community act to impose sanctions when there has been a breach of international law. In that regard I point to the most recent vivid example of a clear breach of international law by the actions of the American government in Panama. Even this week we hear the President of the United States purporting to justify the American intervention in Panama, a clear breach of international law, by saying to the Soviets: "Come and look at what is going on in Panama. The people of Panama accept what we have done". That is simply western American, Texas-style justice which has no place any longer in the international community.

• (1040)

The consequences of a breach or a breakdown of international law now are so serious for humanity that we cannot accept that approach to the justification for a breakdown or a breach of international law. The United States government clearly broke international law when it sent its forces into Panama. It is simply not good enough to justify that on the basis that the population presently is pleased with the result.

First, we have had no clear statement by the people of Panama that that is what they wish to have happen. Second, there is no evidence that the armed intervention by the United States was the only route to achieve the desired result. Third, there was no consultation through the proper international channels to justify or attempt to develop any international law justification for the unilateral action of the United States.

In that context it becomes critically important for the Canadian Government, instead of saying ready aye ready to the Americans, to say to them very clearly that we expect the American government to comply with international law if we are to have any level of civility in international arrangements and if we expect to have the necessary moral authority in future to enforce the very protocols that we are here asking this House to adopt.

If these protocols are to have meaning they must be enforceable. If they are to be enforceable, the leading powers in the world must be prepared to commit themselves to comply with international law; not just to say we will comply only when it does not matter to us, but to comply when in fact it does matter. That must be the principle that this country stands for in the international arena.

There are other examples that this country must have of grave concern with the level at which international law is being complied with even by those we say are our friends. In El Salvador, for example, ARENA recently prevented the evacuation of FMLN soldiers who needed medical aid, in direct contravention of the very protocols that we are here asking this Parliament to adopt.

I have not heard the Canadian government say anything about that. The Canadian government, as far as I know, has been silent about that action on the part of ARENA. As far as I know, the government has not taken up with the Americans who have a very significant and powerful influence in El Salvador that particular

breach of international law and the general persistent abuse of human rights by ARENA and the continued American military aid to that regime in El Salvador. If the government asks us to adopt this bill, it must come before this House and indicate what steps it is taking to ensure that the international law it is here asking us to endorse is being complied with at all levels internationally.

Let me speak of another area in which international law is suffering and that is in East Timor. The United Nations charter recognizes the right of people to self-determination which I may say makes it part of international law and the body of international law. The Canadian government has again, from what I hear, completely refused to state as clearly as it must the right of self-determination in East Timor. East Timor has been occupied by the Indonesian government since the late 1970s. Canada has accepted that occupation and continues to assist the Indonesians in removing that issue from the international human rights agenda.

It is a matter of deep shame to Canadians that the government has been complicitous in this matter. At least a third of the East Timor population has been massacred under the regime that has taken over their country and denied them the rights guaranteed them under the UN Charter.

I recently received in the mail correspondence from a group of parliamentarians in East Timor. A number of members of this House are participating in that. Let me indicate to the House the affirmation of the parliamentarians for East Timor, led by Lord Avery of Britain:

> Parliamentarians from East Timor affirm that the negotiations in respect of East Timor will not lead to a just settlement unless
>
> 1) they involve representatives of East Timorese people including those who resist the present occupation,
>
> 2) secure an end to hostilities which prevent the people of East Timor and their representatives from contributing freely to negotiations leading to self-determination,
>
> 3) provide internationally acceptable conditions of access to relief and development agencies and independent visitors, journalists and diplomats, and
>
> 4) include an act of self-determination which is free from interference and verified by international observers acceptable to the East Timorese people.
>
> The parliamentarians commend all international initiatives which observe these principles and call upon governments to support actively a process of negotiation conducted on such terms.

I for one would call on the government to do that. I know there are members of all parties who share in this cause. I think it is an important one that we should record in the record of Parliament as this bill proceeds toward its final approval.

Let me refer to some other areas that are of concern such as Romania and the effect of the Canadian sale to Romania of Candu reactors and the new nuclear proliferation.

We have seen this week in Ottawa the Open Skies Conference and the continued movement toward some rationality in the area of arms control and disarmament. There is an improved atmosphere under which all sides will begin to negotiate a reduction of arms and a movement toward a new concept of security. That security will not come from more arms but from less arms.

It must be clear to all Canadians that the proliferation of nuclear arms and a capacity for the military use of nuclear power is in itself a breach of international law because of the risks which that impose, not just to innocent populations but to the future of the planet.

Any government that is complicitous in the expansion and development and the potential threat of nuclear destruction to whole populations may well stand in the court of history convicted of a breach of principle of international law. We have seen from Chernobyl the terrible impact of nuclear disaster, even when nuclear power is used peacefully.

This government continues to contribute toward the development of a Candu reactor in Romania. We have seen what has happened there in terms of labour standards. This government apparently stood by quietly when forced labour was being used in the construction of the Candu site there. The House will want to consider as well a series of themes as it proceeds toward the final approval of this bill. While I urge the House to adopt the bill, I would ask members to take a moment to understand the critical role that Canada has in the development of a true body of international law.

• (1050)

Mr. Patrick Boyer (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I rise to very briefly express support for this bill on third reading. I spoke in the House when it was here on first reading, as did members of other parties, to explain and express the views of parties as to why it is important for Canada now, many years after the protocols to the Geneva Conventions were adopted, to ratify them. The legislation that has been reported back to the House this morning for third reading is part of the process of ratification.

I had hoped that we could get this bill through the House this morning because it is important. We heard from the official spokesman for the New Democratic Party about the importance of getting this ratification. That is why I will be brief. I simply express our party's support for this and to note that when this bill was before the legislative committee earlier this week, with all three parties present, there were no amendments and the bill was reported back very promptly.

I cannot let pass without comment the fact that in his remarks just delivered in the House, the member for Victoria spoke about moral authority in the role of international law. That is precisely what this legislation is all about. It goes a long way toward Canada's moral authority and our support for the role of international law to get on with the ratification of this bill, something that he and other spokesmen for his party have urged.

In the course of this we are hearing discussion about CANDU reactors in Romania, discussion about self-determination in East Timor and other very valid and important contemporary issues, but issues which I submit, Mr. Speaker, are not central to the legislation before the House.

I would express the sincere hope to other colleagues in this place that in the remaining seven minutes those parties represented here could express their support for this bill so that we could complete third reading this morning before Question Period at eleven o'clock. We can then get on with putting our own House in order and completing ratification through third reading.

Mr. Brewin: Mr. Speaker, my remarks will be perhaps more in the nature of a comment than a question, although I will perhaps finish with a question. The hon. member has suggested that we should pass this legislation in a hurry so that we get it over with before the end of the morning.

If we were absolutely clear as to what was coming later, that somehow by addressing this so quickly will then free some parliamentary time for matters which are more important, perhaps I would have at least some willingness to comply with the point made by the hon. member.

In the absence of that, let me suggest that this is a particularly useful opportunity to raise the very issues that I know the hon. member has been interested in over the years and to provide an opportunity to raise in this House questions which we do not under a normal day get an opportunity to raise. One thing I have found as a member since coming here is that there are relatively few opportunities that this House provides for discussing major international issues and issues of Canada's obligations internationally and how we are exercising them. Occasionally we have an opportunity during Question Period, but many of us do not get an opportunity to get in on that. We occasionally have other opportunities, but some of us not on the external affairs committee do not have that opportunity.

Frankly, I and I know other members wish to take this opportunity to address some of the issues which are of concern to us and to our constituents. As I said before, these protocols have already been in force. I am sure the member will agree that the adoption of this bill does not delay the coming into force of the protocols or the law and that what we are engaged in here is an opportunity to raise some of these very important issues.

It is in that context that I ask the member if he would comment on the level of Canada's activity in encouraging governments, particularly those which have been involved in the issues which I raised, to comply with international law. I would be interested in hearing the member speak about the issue of East Timor, for example. It is an issue I know he is concerned about. There are also the issues of El Salvador, Panama and Romania.

Mr. Boyer: Mr. Speaker, if the subject of this bill dealt with those other important issues of international law, I think this would be both the time and the place to

address them. But in answering the member for Victoria, it is neither the time nor the place.

I pick up the point that he raised when he said that since coming to the House of Commons he found that there were rare opportunities to address important issues of international affairs. I remember sitting in this very seat just days ago when the Secretary of State for External Affairs wished to make a statement in the House concerning foreign policy and a change in Canadian foreign policy, about which notice had been given to the official critics for the two other parties. Unanimous consent was not provided by the House because his party refused to give it. The Secretary of State for External Affairs had to leave the House and go to a press conference to announce Canadian government policy.

So when the hon. member speaks to me about the rare opportunities to debate foreign affairs issues on the floor of the House of Commons, I think he ought to turn the mirror toward himself and examine his own conscience.

Mr. Angus: Mr. Speaker, I rise on a point of order. I would hate to leave the record as unclear as the hon. member just stated. The matter which he raises with regard to the inability of the Secretary of State for External Affairs to make a statement in the House occurred because the government House leader moved that we proceed to orders of the day, bypassing the opportunity. It was the government which cut off the right of the right hon. member to speak, not the opposition.

An hon. member: The truth comes out.

Mr. Deputy Speaker: The hon. parliamentary secretary may complete his remarks.

Mr. Boyer: Mr. Speaker, I rise on the same point of order. Since this has now got into the recent history of procedural debates and contentions in the House, this effort to stand up and clarify the record, if it is to be a sincere effort to clarify the record then I think the member who just spoke owes it to the House to say that as he described what happened came in the context and as a culmination of several days of deliberate procedural slowdown by his party in the House.

Canadians know when there are issues of substance to be dealt with and they know when procedural ploys are being developed in the House to prevent that. Today, on the third reading of this bill to ratify the Geneva Protocols, I regret to see that the same thing is happening once again.

Some hon. members: Oh, oh!

Mr. Deputy Speaker: It being eleven o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

GOODS AND SERVICES TAX

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I would like to remind the government again of a few facts about the GST which it finds difficult to accept.

The government claims that this tax will be anything but resoundingly opposed by small businessmen is not true. I have spoken to a large number of businessmen in my riding of Prince Edward—Hastings and each has offered nothing but doubts as to whether any form of common sense has been put into the drafting of this legislation.

A good example of the effects the GST will have on small business, as has been demonstrated time and time again to the government, is the cost of upgrading computer software to accommodate this tax. I have heard quotes as high as $15,000 to upgrade a small businessman's computer. How does the government expect small business to cope with that kind of expense? I plead with it to withdraw the legislation and do something positive.

* * *

• (1100)

CHILD HEALTH

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like today to do something I am not accustomed to doing, and that is to congratulate the Prime Minister on his initiative.

The Prime Minister recently announced that Canada would join other countries in sponsoring the United Nations World Summit for Children to be held next September.

S.O. 31

As the Speaker may recall, last April, on behalf of the New Democratic Party, I urged the government to consider this sponsorship. The Prime Minister's press announcement states: "The quality of human society is in large measure reflected in the priority attached to child health, education and nourishment."

Given the recent report of the Canadian Child Health Institute showing the high levels of infant mortality among poor Canadian children and the unacceptable poor health of Canada's native children, given that 40 per cent of food bank users in Canada are children, given the government's cuts in transfer payments to the provinces for health and education, and given the lack of a national child care program, I would hope that our representatives attending this conference could take this opportunity to develop concrete solutions to our problems regarding children, so that we can meet the Prime Minister's commitment to children in Canada.

* * *

[*Translation*]

COMMONWEALTH GAMES

Mr. Charles A. Langlois (Manicouagan): Mr. Speaker, today I would like to pay tribute to two athletes from Sept-Iles who turned in outstanding performances at the Commonwealth Games in New Zealand. Guillaume Leblanc, who won a gold medal in the 30-kilometre walk, was born and grew up in Sept-Iles. The people of Sept-Iles saw him train there for many years. Roger Côté won the bronze medal for judo in his category, a reward for the many hours of training and hard work. The men and women of Sept-Iles are proud of their success and I ask all hon. members to join me in paying them well-deserved tribute.

* * *

[*English*]

ACHIEVEMENTS

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, we see increasing evidence every day of the welcome and important participation of women in the public affairs of Canada, a reality which has been inadequately recognized for far too long.

In no community has this advancing role by women been so clearly demonstrated than in my own constituency of Fredericton—York—Sunbury, where at this very time three different women are leading national Canadian organizations devoted to significant public purposes.

Mrs. Doreen Kissick is President of the National Council of Women of Canada, so called the Parliament of Women, which was founded almost 100 years ago by an Act of this House in 1893. Annually, that organization presents a comprehensive submission to our government, not just on women's issues, but on a broad range of public concerns for all Canadians.

Mrs. Joan McFarland is President of the Canadian Congress for Learning Opportunities for Women, which is a national body to promote learning opportunities at all levels for women in Canada, and having networks in every province and every territory.

Mrs. Flora Dell is National Chair of the Canadian Hunger Foundation, which pursues the cause against poverty both in this country and throughout the world.

In recognizing the contribution of these three women today, I not only want to share pride that their roots spring from Fredericton and New Brunswick, but also to pay tribute and to remind this House about the broader role which they represent for women working everywhere in Canada as full and equal partners in the affairs of our nation.

* * *

HEALTH CARE

Mr. Rey Pagtakhan (Winnipeg North): A month ago the headline in Frances Russell's *Winnipeg Free Press* column warned, and I quote: "Ottawa is killing medicare, quietly and deliberately."

In 1986, this government capped its financial contribution to health care at 2 percentage points below the growth in the economy, and in 1989 the government further lowered the ceiling to 3 percentage points.

With this current trend, it will not be long before this government ceases to pay a single cent for medicare.

Simultaneously, this government is continuing its assault on the education of our youth. President Claude Lajeunesse of the Association of Universities and Colleges of Canada, warns that universities will suffer if Ottawa makes further cuts to transfer payments to any of

the ten provinces or to the three national research councils which grant research funds to universities.

Health and education are vital necessities, yet the Minister of Finance has warned the provinces of further cut-backs to these twin social programs come next Tuesday. Mr. Speaker, budget day should help add on to what we have built and not destroy what we have. I urge this government to safeguard our future.

* * *

AIDS

Hon. David MacDonald (Rosedale): Mr. Speaker, I rise in the House to urge the Minister of Justice to end discrimination based on sexual orientation by tabling the long awaited amendments to the Canadian Human Rights Act. The governments of Manitoba, Ontario, Quebec and Yukon, have already recognized that discrimination on the basis of sexual orientation is not justified.

The existing federal legislation fails to ensure equal rights to same-sex couples as it does to heterosexual couples. This is clearly illustrated in medical matters, for the consultation paper, "A Working Document for the Development of the National Strategy on HIV Infection in AIDS," which was initiated by the Minister of National Health and Welfare, recognizes this very point.

It argues that an effective AIDS strategy and elimination of discrimination on the grounds of sexual orientation are inter-related. Persons with aids involved in same-sex relationships do not have the same legal status and as a result the same legal rights as persons in heterosexual relationships. Quite clearly, this is unacceptable in a society that adheres to a belief in tolerance of all minorities. This issue must be addressed at the earliest opportunity by amending the Canadian Human Rights Act to include sexual orientation as a prohibited ground of discrimination.

* * *

COLOMBIA

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, yesterday President George Bush visited Colombia for talks with Andean leaders on the drug trade. This summit represents the world's most costly photo opportunity. Although it was heartening to hear the U.S. President's brave words, they will do little in the short term to improve the condition of the majority of Andeans.

Appeals to Colombian farmers to grow alternative crops have a hollow ring when one considers the recent fall of international commodity prices. Multinational corporations encourage monocropping in the developing world, and then dictate the prices these farmers can charge, condemning Andeans to subsistence farming. With the price of coffee dropping like a stone is it any wonder that impoverished farmers are convinced to grow coca instead?

And what is the Canadian response to the drug problem in South America? This government has chosen to beef up technological transfers to assist policing in the region so that local governments can track down the drug runners. Although this cops and robbers approach to development has some validity, it does nothing to address the fundamental needs of the Andean farmers who are compelled to grow coca.

I urge the Minister of Finance to consider the complexities of this isolated development problem when he is formulating his pending budget. Further cuts to development assistance will contribute to the drug problem that affects us all.

* * *

INGLIS

Mr. Pat Sobeski (Cambridge): Mr. Speaker, Inglis, a company in the riding of Cambridge, announced it will begin production at the end of July of household trash compactors at the Cambridge plant for Whirlpool Corporation.

Inglis' Cambridge plant will have the exclusive North American mandate for producing trash compactors. To accommodate the new production Cambridge plant production of dishwashers will be transferred to the Findlay, Ohio plant.

No jobs will be lost as a result of this decision. In fact, Inglis expects to create an estimated 50 new jobs at the Cambridge plant. Employees involved in the new production will be trained. The Cambridge plant will be retooled for the new production over a ten-week period. During this time employees involved with the new operation will be temporarily laid off. However, to minimize the number of lay-offs Inglis will be increasing dryer production where possible. In addition Inglis will maintain employee group insurance benefits at the

company expense. All employees involved will apply for UI during this period.

This new production will ensure the continued viability of Inglis' Cambridge plant.

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AIRLINES

Mr. John Manley (Ottawa South): Mr. Speaker, in the days leading up to a federal Budget no region of Canada has as much at stake as the national capital because of the importance of the federal government presence to the economic health of this region. What we do not understand is why the federal government would prevent the national capital region from diversifying its economic base by refusing to permit the establishment of non-stop air service between the national capital and the United States mid-west.

The national capital is the fourth largest metropolitan area in Canada and is unique among Canadian cities in that it lacks service to a hub in the central U.S. It lacks single airline services to most large points in the central and western U.S. There is an airline ready, willing, and able to develop a route to the mid-west, and it is the only major city for which a non-stop route to Chicago is expressly precluded by the air bilateral agreement.

To diversify, this region needs high tech and tourism. Government science policy and the GST will not help but better air services will. When is this government going to stop acting as a puppet of the airlines and start caring about the people of this region. The government talks free trade but in this case is a co-conspirator with the Canadian airlines in the suppression of competition to the detriment of the national capital region.

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• (1110)

CANADIAN BROADCASTING CORPORATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, yesterday we had an important debate in this House in which Parliament unanimously passed a motion reaffirming its commitment to support, protect and promote linguistic duality in Canada.

There was also an important debate at the Metropolitan Toronto Council at which that council, representing 2.2 million people, declared itself bilingual, in a 28 to 2 vote.

The Globe and Mail and *The Toronto Star* covered both these news items and gave them some prominence, but the CBC, our national broadcasting service, had nothing on the national news last night, and only a brief mention of the parliamentary debate on *The Journal*.

Why does the CBC give so much prominence to those minority views held by little places, with people with little minds and so little coverage to the Parliament of Canada and the largest municipality in Canada, when they say yes to Canada, and yes to bilingualism.

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CANADIAN BROADCASTING CORPORATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the CBC is intended to be a unifying force in this country, helping us to better understand each other. But *The National's* coverage of the language issue makes you wonder if the program staff have forgotten CBC's mandate.

When city councils in Sault Ste. Marie and Thunder Bay declared their cities English only, both *The National* and *The Journal* carried extensive, in-depth coverage. Yesterday, members of this House voted unanimously to support a resolution reaffirming our commitment to linguistic duality in Canada. It was a rare moment, a healing moment, yet *The National* virtually ignored it, giving this event only a brief mention in last night's news.

The CBC should not be a propagandist for any point of view, but balance is important, especially now when emotions are running high and the strains on unity are building. I hope the producers and editors at *The National* will take a fresh look at this issue and give at least as much coverage to unifying positive actions as it does to negative devisive ones.

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[*Translation*]

MEMBER FOR CHAMBLY

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, during the recent election campaign in the riding of Chambly, the NDP candidate promised voters that he would defend Quebec, that he would defend their interests and support Meech Lake, and would do so although his party had unanimously rejected the Accord

a few weeks earlier. Well, Mr. Speaker, forty-eight hours after he was elected and safely removed from his constituents to whom he referred as nationalists, the newly-elected member for Chambly conveniently forgot his promises, betrayed his constituents and did an about-face when, without the slightest hesitation, he supported his party's anti-Meech position. Mr. Speaker, this gentleman who said he was elected to defend the interests of his constituents, who said he understood Quebecers and was going to explain Quebec to the New Democrats, this gentleman now tells us he is proud that his leader understands Quebecers.

The hon. member for Chambly not only broke his word, he also changed his mind in record time. The people of Chambly believed in him. I imagine they now regret they did. The people of Chambly thought he did not have the same poor opinion of Quebecers as the rest of his party. Clearly, Mr. Speaker, the new member for Chambly has the same outlook as his socialist friends, the same forked tongue and the same bad habit of using double talk. He could at least have waited until he was sworn as a member of Parliament.

* * *

ATLANTIC FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, for several months now, the Prime Minister and his cabinet have been talking about a program to help Atlantic fishing communities. We were even given to understand that the government would find more than $1 billion to help them through these difficult times. Today, however, we know the government has no strategy, does not intend to look for additional funds and will rely solely on existing programs.

The Prime Minister did not keep his word. Once again, people in the Atlantic region are not treated the same as other Canadians. He promised to help us, he raised our expectations but it all boils down to the same old story. This is intolerable, and families in New Brunswick, Prince Edward Island, Eastern Quebec, Nova Scotia, Newfoundland and Labrador won't stand for this.

[*English*]

SENATE REFORM

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, one of the most important issues in Canada today is Senate reform. The results of the last federal election were in part a reflection of Canadians' displeasure, disappointment and disapproval of Senate obstructionism.

Canadians will not tolerate a Senate that obstructs the will of a democratically elected Parliament. Political games played by Liberal Senators have caused Canadians from sea to sea to rise up and call for Senate reform. I urge the Canadian Senate to get on with the nation's business and pass the important unemployment insurance legislation before it so that the workers of this country can get on with their business.

The Canadian government must develop a long range plan for improving our Senate. The people of Elk Island want an improved Senate, the people of Alberta want an improved Senate and the people of Canada want an improved Senate. Let's work together for a better Senate and a better Canada.

* * *

JUDICIARY

Ms. Mary Clancy (Halifax): Mr. Speaker, over the last few months we have seen startling examples to demonstrate that there is a clear lack of sensitivity toward women and children in Canadian courts. Now the Canadian Judicial Council has concluded that no investigation was warranted of the judge in British Columbia who stated that a three-year-old girl was sexually agressive. The council stressed that the judge's words were unfortunate because they were capable of misinterpretation.

This incident, coupled with comments of a Quebec judge that women, like rules, were meant to be violated, and comments of another judge in the north that sexual assault is not as serious there as it is in the south, shows that our courts must be more sensitive to women and children. It is not good enough to say that judges use poor wording. It must be clear that such wording is completely and unequivocally unacceptable. Judges, at

least, must recognize that sexual aggression and three-year-olds are mutually exclusive.

Indeed, these incidents are isolated and are by no means characteristic of the judiciary as a whole. But if they continue to use such aggressive language, our courts will carry the badge of intolerance and ignorance and women will not feel that their interests are being met.

ORAL QUESTION PERIOD

[*English*]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Today Statistics Canada released the latest figures on Canada's export trade. In the report it said that merchandise exports fell 4.9 per cent in December, the lowest monthly level since July, 1988. Statistics Canada said: "The Canadian dollar appreciated once again in December in relation to the U.S. dollar, thus making Canadian exports less attractive in the American market."

Why are the minister and the government persisting in their high dollar policy which is evidently so harmful to Canadian exports and the Canadian economy.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, less than 24 hours ago we had comments from the member for Gloucester and the member for Willowdale critical of the policy of the government that resulted, they said, in the fall of the Canadian dollar. You cannot have it both ways. It is the same old story we get from the Liberals; sucking and blowing.

On the question of the Canadian dollar and our export performance during the past year, I recognize that a higher Canadian dollar does have some impact on our ability to compete. We are not following a policy which is deliberately designed to increase the level of the Canadian dollar. We are following a policy which is deliberately designed to get inflation under control.

I ask the hon. member what he would be saying to me if we had followed the policies that he and his party have been endorsing of having low interest rates. Just this morning we had some confirmation that the level of inflation is too high and that we must continue to follow the high interest rate policy. If we had followed his policy of having low interest rates, we would have runaway inflation today and that, I am sure, would be something he would be critical of. Again, they are sucking and blowing.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister says he is worried about inflation. Why is he persisting in policies of high interest rates and a high dollar which directly contributes to that inflation?

[*Translation*]

I again ask the minister: Even if he is following a policy by accident, why is he pursuing such a policy which raises the value of the Canadian dollar and is so harmful to our export industries? Mr. Speaker, his accidental policy is worse. Instead of a well-considered policy, it is one which hurts our export industries.

• (1120)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition has said: "Why are we persisting in a high interest rate policy and a high Canadian dollar, both of which contribute to inflation?" I do not know from where he is getting his advice.

A high Canadian dollar means that our imports cost less, which means tht our inflation would not be as bad with a high Canadian dollar.

High interest rates contribute to lower inflation because they reduce the amount of money that is in the system and therefore reduce the upward pressure on inflation.

Both of these things would contribute to a lower level of inflation. We have been following them. We have seen some signs in the last three or four months that inflation has been getting less, although we had a disappointment this morning.

Surely, that should be confirmation to the Leader of the Opposition that we must continue with beating our inflation problem or else we are going to get back to exactly the same problems that the Liberal party in the 1970s and the early 1980s presided over. At that time inflation got to 13 per cent; interest rates got to 20 per cent and 25 per cent; and unemployment averaged 13 per cent and ranged up to over 20 per cent in some parts of the country.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, speaking of disappointments, this government is a disappointment to Canadians. It is time to recognize that.

David Simpson, Executive Director of the Consumers Association of Canada, speaking of the recent increase in interest rates said: "The economy is on the precipice of a recession and this will dry up consumer spending which is needed to turn the economy around.

John Bulloch, President of the Canadian Federation of Independent Business, commenting on the same increases said: "It's a kick in the—" and I am afraid, Mr. Speaker, I cannot use the last word because you may say it is unparliamentary. But members of Parliament can read the words of Mr. Bulloch in the daily press.

If both consumers and business are joining together to speak about the minister's interest rate policy in that way, why is he persisting? Why is he refusing to listen? Why is he continuing to do things which make this government such a disappointment for Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we continue to do these things because we believe they are the right things to do for this country.

We know that people want to have lower interest rates. We know that the exporters would like to have a lower Canadian dollar. We also know providing that might mean some very short-term benefits for the economy, which is exactly what the Liberal party did in the middle seventies when it swept the inflation problem under the carpet and said: "Nothing is wrong with the economy. Everything is going just right". Then we had the 5.5 per cent level of inflation of 1976 grow to the 13 per cent level of inflation in 1981.

That surely is a lesson that even my friend opposite should not have forgotten. It is the lesson that we are trying to remind people of today as why we must continue with this policy of getting inflation down.

Mr. Jim Peterson (Willowdale): Mr. Speaker, since June of this year the minister's high interest rate policies, high dollar policies have deliberately cost 77,000 Canadians their jobs.

How many more Canadians must lose their jobs, their homes, their businesses, their farms before this government comes to its senses? What is killing Canada's economy is not the disease that the minister calls inflation, it is the minister's medicine called recession.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind my hon. friend that 227,000 jobs were created last year. Surely, that is not the doom and gloom that he would like to have Canadians believe by the preamble to his question.

The job of government today is to deal with the problems as we see them and deal with them head on. We are doing that.

As I said yesterday to my hon. friend, I have yet to hear an alternative. It is easy to criticize. It is easier to say what we would like to see.

The point that I have to remind my hon. friend of is if he has another way of doing it, if he would like to get interest rates down, then tell me how he would do it. He is nodding his head. I presume that in the preamble to his next question he is going to tell us how he is going to get interest rates down in a meaningful and permanent way.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I think this government's resignation might be the answer.

Yesterday, when confronted in the Chamber, the Minister of Finance in talking about Canada's record current account deficit of $20 billion with other nations explained as follows. He said it is because of investment. He said: "Companies have confidence—in the policies that this government has been following".

If this is the case, why did the Conference Board of Canada's survey indicate that business confidence in this government's policies is at a record low since 1984. Was this just a typographical error, or was Mr. Karl Beigie correct yesterday when he said: "The economy's headed for the toilet"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened to the hon. member say that the way we can get low interest rates is for this government to resign. That is the sort of flip answer which is going to give Canadians all sorts of confidence in the ability of the Liberal party to come up with the real answers to the problems we are facing today. Surely, my hon. friend can do better than that.

There is no way that we can get interest rates down without getting inflation down. That is a fact of life.

The only way we can get inflation down is by getting less money in the economy today. That is done that by keeping interest rates high—a simple economic fact.

That is the policy that we are following. We are going to continue to follow that policy until we can get inflation down.

My hon. friend shakes his head. He is saying this is not the way to go. He has yet to tell us which way he would go.

Is he going to get interest rates down by printing money, leading to permanent inflation, a more permanent loss of competitive position in the economy today? That may be his policy. He is nodding his head that that would be his policy—

Mr. Peterson: Lower interest rates.

Mr. Wilson (Etobicoke Centre): He says: "Lower interest rates," and by printing money. That is the only way you get lower interest rates.

Printing money leads to permanent inflation. Permanent inflation leads to higher interest rates on an ongoing basis and a permanent loss of competitive position, a permanent loss of jobs in the economy.

That is the type of policy that the Liberals followed before. We learned from that. We are not going to follow that in this government.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, what we are seeing is the same old movie. Why does not the Minister of Finance get serious or join his buddy MacEachen in the Senate?

We now have the highest bank rate since the early 1980s. We have an inflation rate that has gone up from 5.1 per cent to 5.4 per cent.

Does the minister now admit that he is getting reckless and irresponsible with the economy? Will he admit that a major cause of inflation today is his high taxation policy and the Governor of the Bank of Canada's high interest policy? Will he admit today that that is a major cause of inflation in this country?

If he will admit that, why does he not bring down taxes? Why does he not roll down the bank rate and stop hurting the ordinary Canadians from one part of this country to the other? Why does he not do that?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I hear again that my hon. friend does not like high taxes. He would like to see taxes lowered.

My hon. friend has criticized us time and time again for cutting government spending. We have a difference of view here again.

If my hon. friend wants to see taxes down and a maintenance of high levels of spending, then, by definition, the deficit is going to be high. Surely, he has paid attention to the markets over the last few weeks and can understand that if we are going to see high levels of deficit, considerably higher than what we have now—which is exactly where my hon. friend's policies would lead—then we are going to see higher interest rates than we are seeing today.

• (1130)

Those are facts of life in economics today. My hon. friend can put his head in the sand and ignore those facts of life but there is no one who has any sense in this world who would agree with him.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, talk about sense and friends. Doug Peters, the chief economist with the Toronto Dominion Bank, is now saying that the likelihood of a recession is astronomical. I think he is a friend of the Minister of Finance. We also have Mr. Rutley, from the Canadian Manufacturers Association, saying today that a recession is very, very likely. Those are friends of the Minister of Finance.

Why does he not admit to the House here today that a major reason why this is happening is that the Minister of Finance's high tax policy has been inflationay, that the Governor of the Bank of Canada's high interest rate policy has been inflationary, and that those are major reasons why this country is on the brink of a recession and on the brink of an economic and monetary crisis like we have not seen since 1981?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think I heard anything different from the hon. member than I have heard many times in the past.

Mr. Nystrom: Answer the question.

Mr. Wilson (Etobicoke Centre): He says: "Answer the question". He wants to see interest rates down. The question that must be asked is how would my hon. friend get interest rates down. I have heard him say: "Pick up

the phone, call John Crow and say, John, put interest rates down". There is only one way—

Mr. Nystrom: We told you that in June. The finance committee told you in June.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, my hon. friend says that he told me in June. He told me a year ago too, and a year and a half before that. The problem is that if we had taken the advice of the New Democratic Party and followed a low interest rate policy, the inflation number that was released this morning, which has inflation running at 5.5 per cent, would be a good deal higher because there would be more money in the economy today, more money chasing after the same number of goods. That automatically pushes up the price of products. That automatically pushes up the level of inflation. That automatically pushes up the level of interest rates that Canadians would be willing to pay.

That, Mr. Speaker, shows the disastrous depth of ineptness of the New Democratic Party in their understanding of economics today.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, the minister talked about sucking and blowing. Those were his words. We certainly heard a lot of it today from the minister. Interest rates are up, inflation is up, the deficit in terms of balance of payments is down two months in a row, the impact of the GST is pending and the free trade agreement.

You say that you are on a course of correcting the problems. The defict is higher, the debt is higher. You are a disaster as the minister and you say that everything is in order.

Some hon. members: Order!

Mr. Barrett: If that is what you call order, Mr. Minister, I want to know what the hell disorder is in this country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite clear with my hon. friend. He has said that I have said everything is in order. I have not said everything is in order. I have said quite clearly that we have a level of inflation that is too high and that we must get that down. I have made it very clear, in my previous answer, that the way the New Democratic Party would have us get the interest rate down would compound the inflation problem.

Mr. Barrett: Nonsense, absolute bloody nonsense.

Mr. Wilson (Etobicoke Centre): My hon. friend is saying that it is nonsense, absolute bloody nonsense. It is clear that my hon. friend was a social worker and a radio announcer before he got into this House, because he sure as hell was not a economist.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Finance.

The Quebec coalition against the GST yesterday officially launched its campaign to protest this highly regressive tax which the federal government intends to impose starting January 1, 1991.

Has the minister considered the loss of 25,000 jobs in Quebec and that unions are already asking for cost-of-living increases in their negotiations to reflect price rises due to the GST?

Will the minister take account of the coalition's demands to withdraw this tax immediately?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we listened very carefully to people over a two and a half year period on the question of the GST. We put out a White Paper. We put out a technical paper. We have put out legislation. We have listened continually.

We have also listened to people such as John Bulloch, who is on record as saying that he does not know an alternative to a value added type of tax.

We must replace the existing federal sales tax. The Liberal Party of Canada has not put up an alternative to the goods and services tax. It also is on record as saying that the existing federal sales tax must be replaced.

Until my hon. friend is able to put up an alternative, he does not have the credibility to make the statements that he has just made in this House.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, this minister does not listen to John Bulloch. John Bulloch also told him to scrap this tax and start all over again.

Why does the minister not listen to the Coalition of Quebecers Against the GST, a coalition of people from all walks of life, such as single parents, consumers, women and seniors? They are all saying: "Stop the tax!"

Why does the minister not listen and stop this tax before it is too late?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have listened. The hon. member has mentioned two groups, single parents and senior citizens.

Both of those groups will be better off after the GST has come into place. Some 84 per cent of them will receive the goods and services tax credit, and 75 per cent will have more money in their pockets after the GST is in place than they did before.

Mr. Barrett: What a pile of b.s.!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I hear the howls from the other side of the House. They say they do not agree.

Mr. Barrett: You're unbelievable!

Mr. Wilson (Etobicoke Centre): These are not my numbers. These are numbers provided by the experts in the Department of Finance.

I have said on many occasions that if hon. members would like to dispute any of those numbers, show me where they dispute them. If not, stop misleading Canadians.

* * *

TRADE

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister for International Trade and concerns one of our most important export industries, auto parts manufacturing.

I have a letter here from Versatech Industries of Weston, Ontario, producers of gaskets, plastic products and sealing products for the auto industry. The letter states:

> Since August, 1989 we have been mercilessly harassed by U.S. customs at border crossings, sometimes having our truck seized and impounded.

The letter links this harassment to the introduction of the harmonized system which has clouded the issue of the free trade agreement implementation.

My question is this. When is the government going to get tough with the U.S. on border harassment, before Versatech is obliged to join other Canadian exporters and move to the U.S.?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman mentioned that the United States has adopted the harmonized tariff system and this has caused some problems as it has been implemented over the last year. I am glad that he did not repeat the mistakes that the Leader of the Opposition and other members often make. I was surprised he did not decry the free trade agreement when he brought this point up.

I am sure the hon. member realizes—he seems to have a higher intelligence level than most of his colleagues—that the auto parts and the automobile industry, of course, is dealt with under the Auto Pact and the free trade agreement has nothing to do with it. Nor does the harmonized tariff system have anything to do with it, as the harmonized system that the United States is implementing is a general system. Wherever there are problems, we are prepared to help the companies who are involved and do all we can to assist and make sure that they are worked out. But these are matters that have to be worked at in co-operation with the U.S. when we have these kinds of problems at the border, or when they have problems with us.

• (1140)

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I thank the minister for his compliment but I do not think any more of the free trade agreement than my colleagues.

My supplementary question is directed to the same minister. Before the election the government promised that the free trade deal would guarantee Canadian exporters secure access to the U.S. market. Why, now, are firms like Versatech facing this harassment? Will the minister admit that his government sold out the auto parts industry with his trade deal, just like it sold out the Canadian farmer and the fishing industry in Atlantic Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, just when I was starting to think that this hon. gentleman was a little more intelligent than his colleagues, he referred to the auto parts industry again, and said that the free trade agreement had something to do with it. Of course, it does not.

We have had free trade in auto parts and automobiles with the United States since the early 1960's under the Auto Pact. That has not changed. I recommend that the hon. gentleman look at the report by the Institute for Policy Analysis at the University of Toronto. A group of university research economists said that the Canadian economy is looking good in the 90's, thanks to free trade

and to the GST. They forecast, "An investment boom triggered by free trade with the U.S., tax reform and energy projects will make the 1990's a good decade for the Canadian economy." They say the good news will continue.

That is from the Institute for Policy Analysis at the University of Toronto. It is not the think tank of the Leader of the Opposition. That has a hole in its flue. To continue with the report. "The good news continues for the later 1990's. Major productivity gains engendered by the free trade adjustment continue to push growth just as the investment boom fades. In effect, free trade first pushes the economy to potential, to investment demand, and then acts to boost potential to productivity improvements."

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THE ENVIRONMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of the Environment. The toxic tire blaze in Hagersville has now been called one of the most severe environmental episodes in North America.

We talked with the control centre there this morning and they dealt with only 18 feet of the 13-acre blaze yesterday. Water bombers cannot climb because of freezing temperatures and fog, and dangerous toxins are pouring into the environment.

I want to ask the minister what urgent action he is prepared to take to put this fire out?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the government of Ontario, which is responsible for this, is taking all the measures it can to control the situation.

We all know that it is a major issue and that there are not many things that the government in Ontario can do to control the fire as of now.

This morning the Ontario government requested us to assist them in terms of analysis and sampling of smoke and toxic air related to the disaster. We have dispatched this morning a team of specialists from Environment Canada to take samplings. We are monitoring the situation through advice and expertise in terms of atmospheric information and forecasts. As of now we stand ready to give the utmost assistance to the province of Ontario.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I appreciate the comments of the minister in terms of what his ministry can do. But our party believes very strongly that federal emergency preparedness should be offering all possible personnel needed for rapid, urgent action. As of this stage this morning, only 30 firefighters are fighting on each shift.

I want to ask if the government has learned from the Saint-Basile-le-Grand disaster and will take this kind of swift action to offer emergency preparedness help right now to the province of Ontario?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we are now doing everything that has been asked of us by the Govenment of Ontario.

We all know that the solution lies in major global solutions in terms of storage and destruction of tire depots all across Canada. We are concerned about this depot. There are many other ones in Canada, and we are concerned about them.

The government has funded research at a cost of $2 million to establish and develop a recycling process for tires. Three projects are presently going on. Three recycling facilities have been built. Three more are under construction. We will control the situation.

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ETHIOPIA

Hon. David MacDonald (Rosedale): Mr. Speaker, my question is for the Secretary of State for External Affairs. It relates to the threat of famine situation in Ethiopia.

As the minister is well aware, in recent weeks there has been particular concern about the threatened population that was cut off because of the internal conflict. That has been exacerbated because of the attack and the apparent dislocation of the seaport of Massawa and the cut-off of the main supply lines, particularly for the churches to fulfil the obligations that the Archbishop of Canterbury announced a couple of weeks ago.

Since the government's special representative, the Senior Vice-President of CIDA, Mr. Doug Lindores, has just returned home, can the minister indicate what special measures we can take to assure Canadians that all of their efforts to meet the famine threat again in Ethiopia will be satisfactorily met?

Second, because it now appears more than ever that conflict is the ultimate cause of this recurring famine situation, what measures would Canada take in concert with others to try to find peace where it is very much needed in the Horn of Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are very concerned about the impact of conflict upon people already struck by famine. The Port of Massawa is to all intents and purposes now closed. We have diverted a ship bound for that port with food and supplies from Canada to Port Sudan where there is a better prospect of getting that cargo delivered.

The hon. member is correct in identifying the source of the problem to be the conflict. We have delivered the strongest possible requests to the governments of both Ethiopia and Sudan, and indirectly to rebel leaders, urging them to go back to negotiation.

We are working with all of the international organizations involved in delivering emergency assistance and co-ordinating it, trying to find some way to deliver help in the context of conflict.

Obviously, what has to happen is an agreement by all sides for a cease fire, an agreement to return to negotiation. We are using every means open to us to urge that course upon all parties.

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ATLANTIC ECONOMY

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Finance.

According to the Atlantic Provinces Economic Council disparity between Atlantic Canada and the rest of the country is growing at an unprecedented rate. The Atlantic fisheries has been mismanaged into a state of utter collapse.

According to the Tourism Industry Association of Nova Scotia the new 7 per cent goods and services tax will devastate the tourism industry in Atlantic Canada.

Yet with the full knowledge that our regional economies are the last to recover from but the first to slip into a recession, this government has recklessly pursued a high interest and high dollar policy.

Will the minister now finally admit that he has lost complete control and credibility and step aside before he causes a complete collapse of the fragile Atlantic Canadian economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate what the hon. member said, that people in the country today are apprehensive about what might happen in the economy. That is understandable in view of what has happened in recent years. I refer to the recession of 1981-82. There is no one calling for a recession of that order of magnitude.

There is still a balance of opinion today. Some say we may be heading for a recession, some say we are not heading for a recession, but clearly we are in a period of slow growth.

• (1150)

The reason this is necessary is to allow us to get inflation out of the economy. That inflation is affecting the economy of Atlantic Canada as it is affecting other parts of the country. I would say to my hon. friend that if we let the problem of inflation get out of control in the country it will have a more profound effect on the economies of the Atlantic provinces because they do not have the same economic strength as southwestern Ontario, for example, would have to withstand that pressure.

That is why we must deal with that. At the same time as we do that we have allowed for an increase in funding for Atlantic Canada, through the Atlantic Canada Opportunities Agency—

Mr. Robichaud: You are joking.

Mr. Wilson (Etobicoke Centre): My hon. friend says that we are joking. The level of funding in Atlantic Canada, I believe, is 35 per cent in this five-year period relative to the first five years of our mandate. A 35 per cent increase is an increase, even with the arithmetic that my hon. friend wants to use.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, a few more answers like that from the Minister of Finance and they will be guaranteeing that not one Conservative candidate in Atlantic Canada gets their deposit back after the next federal election.

My supplementary question is to the same minister. Yesterday the Conference Board of Canada predicted an economic stormfront for Atlantic Canada. The minister should know that his fiscal policies, coupled with this government's mismanagement of the fishery, has pushed Atlantic Canada to the brink of a full-blown recession.

What action is this minister prepared to take to ensure that his policy of high interest rates is not the final nail in the coffin of the fragile economy of Atlantic Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my hon. friend does not do justice to the strength of the economy in Atlantic Canada today. We acknowledge there is a serious problem with the Atlantic fishery, but there are other parts of the economy in Atlantic Canada which are not suffering as is the case with the fishery.

I made it quite clear as far back as the April, 1989 budget that we must deal with the problem of inflation. If we do not deal with the problem of inflation the people in Atlantic Canada will be more severely hurt than other parts of the economy, such as southwestern Ontario, that are stronger. That is why we must do that.

But there is an offset here in the increase in the Atlantic Canada Opportunities Agency funding. There is an increase of funding there that will help offset the impact of higher interest rates and that is how we are dealing with the problems as it relates to Atlantic Canada.

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TRANSPORT

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my question is for the Minister of Transport. The Ottawa-Carleton business community has finally given up trying to reason with this government to get direct non-stop air service to Chicago. This is the nation's capital, the fourth-largest region in the country, and the only major city in Canada denied direct services to customers and markets through Chicago.

When a major carrier is ready to provide this service four times a day, when the business community needs it, why is the minister saying no?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am sensitive to the request by the Ottawa-Carleton corporation but there is a problem. My hon. friend knows very well that the routes between the United States and Canada are controlled by a bilateral agreement. If we make a decision to re-open the bilateral agreement we have to consider not only Ottawa. We have requests from Edmonton and Halifax for other routes and those requests will have to be dealt with at the same time.

There is another reason, as she knows very well. The company which is interested in serving Ottawa is an American company. Normally if this company wants to re-open the agreement it should address the American government to do that, then I could defend the interests of Canadian companies.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, the minister knows very well there is an easy way to solve this problem without reopening bilateral negotiations. So does the Secretary of State for External Affairs.

Pearson International Airport is a mess with near misses in the air up by 64 per cent. It will not cost the government one red cent to let Ottawa travellers by-pass Pearson and also to help local businesses compete internationally to bring tourism and conventions to the nation's capital.

Why is the government protecting private airlines from competition in this new free market? Why is it putting its interest ahead of a dynamic business community and safety at Pearson?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I do not see the relationship between the first and second questions. I hope there is not.

First, Pearson is not a mess. Since December, 1989, there has been a cap on flights at Pearson. With 20 million passengers a year I think my colleague will understand that it is different to manage Pearson than it is any other airport in the country. Pearson is safe.

I would like my colleague to realize that for her to say it is a mess and unsafe is very dangerous in terms of the credibility of air transportation in Canada.

Second, I will repeat what I said before. To reopen the bilateral agreement with the United States is something which cannot be done only with Ottawa. I understand that the hon. member serves Ottawa. However, I have to

serve Halifax and Edmonton, too. This is the way it should be done. I will not reopen the bilateral agreement just for Ottawa. I am sorry, but it cannot be done.

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ATLANTIC ECONOMY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, my question is directed to the senior minister from Atlantic Canada, the Minister for International Trade.

My colleague and I have just got back from visiting fishing communities in Newfoundland and heard first-hand about the crisis in Atlantic Canada.

Newfoundlanders think the Prime Minister does not listen and that the government does not care. We heard over and over that Newfoundlanders think that the Prime Minister sees them as expendable.

What the Prime Minister needs is an education on the crisis in Atlantic Canada. There is no point in sending the Minister for International Trade down there because he is just led down the garden path too easily.

When is the Prime Minister going to go to Trepassey, Grand Banks and St. John's to find out for himself what is going on in Atlantic Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Prime Minister is very much involved in and concerned about the problems in the Atlantic fishery area. In due course he will be dealing with the question himself.

When he will be visiting Newfoundland will depend upon his schedule. He is visiting various parts of the country and receiving a very enthusiastic welcome wherever he goes.

Some hon. members: Oh, oh!

Mr. Crosbie: With reference to the Atlantic fishery, hon. members might be interested to know that there has been a Canada–U.S.S.R. bilateral fisheries consultation, something which takes place annually, and several agreements have been reached with the U.S.S.R. that will be helpful to Atlantic fishermen, including an agreement for them to land and sell to Canadian plants the small volume of their by-catches of cod, haddock and pollock caught incidentally in the U.S.S.R. silver hake fishery, provided that commercially viable arrangements can be made. This will provide fish plant workers with additional weeks of employment as a result.

Some hon. members: Oh, oh!

Mr. Crosbie: In addition, they have agreed to provide more cod for the Canadian fleet by transferring a portion of their southern Grand Bank cod quota in 3N0 to us that they receive from NAFO.

Some hon. members: Order!

Mr. Crosbie: You are either interested in the Atlantic fishery or you are not—obviously you are not with all of these interruptions.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): So, Mr. Speaker, the Prime Minister is going to go to Atlantic Canada to look at the crisis when he feels like it. Atlantic Canadians want him to go there now. When he goes there he will get the same response he got when he was in Brandon.

On December 13, the Prime Minister made a commitment to put $1 billion into Atlantic Canada. He repeated that commitment on January 22.

The Prime Minister is preparing us for deep budget cuts, as is the Minister of Finance. Atlantic Canadians have seen the attack on UI, the GST and government inaction on the fishery.

When is the Prime Minister going to come clean on his commitment to Atlantic Canadians? When is he going to keep his promise? When is he going to do something about the crisis in Atlantic Canada?

• (1200)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, in all of the history of Canada the NDP has never done one single thing for Atlantic Canada, not one, except to send itinerant pedlars down to have a quick look around for a photo opportunity and then to come back and pretend that they know everything about Atlantic Canada. The hon. gentleman knows nothing about Atlantic Canada.

The Prime Minister does not need to visit Atlantic Canada because I visit Atlantic Canada, my colleague visits Atlantic Canada, other ministers visit Atlantic Canada. For example, when he visited to announce the Atlantic Canada Opportunities Agency, he announced over $1 billion worth of assistance to Atlantic Canada. This year is the historic high in the payment of regional development assistance in Atlantic Canada, $500 million.

That is the kind of thing that the Prime Minister is doing for Atlantic Canada.

Mr. Deputy Speaker: We will close Question Period with one question from the member for Miramichi and one question from the member for Don Valley North.

* * *

VIA RAIL

Mr. Maurice A. Dionne (Miramichi): Mr. Speaker, my question is for the Minister of Transport. I want to ask the minister if he is prepared to guarantee to Canadians today that, having decimated VIA Rail, this government will not reduce further the mandate of passenger rail service, particularly in view of the fact that the NTA is considering rescinding Order R–38,000 which in effect would be the first step in deregulation of rail passenger service.

Will the minister give us the commitment now that there will be no further reductions in rail passenger service?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend knows very well that the initiative taken by the NTA has nothing to do with the Department of Transport. It is their own initiative created by the investigation they had on the prices of VIA Rail last year. They decided to go to the public to ask particular questions on the deregulation of rail.

I believe it would be appropriate to wait to hear what the public will say about those proposals and to see exactly what the NTA will do.

In the meantime, I think the role of the Minister of Transport is to wait because NTA, as my friend knows very well, is an independent body that the Minister of Transport has no authority over.

* * *

POLAND

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I understand that, along with other western governments, Canada has agreed to provide a comprehensive rescheduling for Poland in the Paris Club. Would the minister confirm the agreement to ease Poland's heavy debt burden?

Business of the House

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am pleased to announce that today in Paris a debt rescheduling agreement was concluded between the representive of the Government of Poland and the representatives of the Paris Club of official creditors, including Canada.

While, we do not have all the details yet, I understand that the agreement reached will reschedule Polish payment obligations due during 1989–90 and the first quarter of 1991.

Under this agreement, Canada expects to reschedule 100 per cent of the payments of principal and interest due during this period totalling more than $1.2 billion. This represents approximately 10 per cent of the $12.2 billion total rescheduled by all Paris Club creditors.

In this way, Canada is making a major contribution to easing Poland's balance of payments in support of its difficult and important economic stabilization program.

Mr. Robichaud: Why don't you do the same for Atlantic Canada, Joe?

* * *

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, in light of the co–operation shown in the House last evening, I wonder if the Minister of Justice could indicate for us the business of the House for Monday and Tuesday. I believe that that may have changed.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, in view of the quick progress that we made yesterday and the adoption of the motion of the Prime Minister, I wish to advise the House that on Monday we will continue second reading of Bill C–52. On Tuesday, we will start with resumed debate on second reading of Bill C–26, an Act respecting the Railway Act.

On Tuesday, in the afternoon, as I indicated, the House will break at 4.30 for the Minister of Finance's budget statement.

Wednesday will be day one of the budget debate, Thursday will be day two of the budget debate.

Friday's business we will set out later next week.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Beauséjour

made a suggestion across the floor. I wonder if he wants to rise on a point of order and put that observation on the record of the House of Commons.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 15 petitions.

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

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PARLIAMENT OF CANADA ACT—TABLING OF SECOND REPORT OF SPECIAL COMMITTEE

Mr. Marcel Danis (Verchères): Mr. Speaker, I have the honour to present the Second Report of the Special Committee on the Review of the Parliament of Canada Act.

As you know, Mr. Speaker, some time ago, the committee received from this House the mandate to examine the Parliament of Canada Act. We tabled our first report a few days ago, and the House has been pleased to extend our mandate until June 29.

I therefore welcome this opportunity today to table the second report, and with your leave, Mr. Speaker, I would like to mention, for the benefit of the members of this House, the general principles that guided this report.

The Committee recommends, in this report, that the House of Commons reaffirm the following principles that apply to its members:

a) that the Board of Internal Economy is the authority which determines how the financial resources and administrative services provided by the House are to be applied and adhered to;

b) that in the performance of a member's activities and functions, a member is entitled to financial resources and administrative services provided by the House, subject to the statutory authority of the Board of Internal Economy;

c) that partisan activities are an inherent and essential part of the activities and functions of a member;

d) that a member has the constitutional rights and immunities applicable to that office and independence in the performance of the activities and functions of that office free from interference or intimidation; and

e) that a member is allowed full discretion in the direction and control of the work performed on a member's behalf by the member's employees or independent contractors and is subject only to the authority of the Board of Internal Economy of the House of Commons in the exercise of this discretion.

* * *

BILL S-9

TABLING OF LEGISLATIVE COMMITTEE REPORT

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I have the honour to table the Report of the Legislative Committee on Bill S-9, an Act to amalgamate the two corporations known, respectively, as—

[*English*]

—the Governing Council of the Salvation Army Canada East, and the Governing Council of the Salvation Army Canada West, and to make necessary provisions regarding the Charter of the amalgamated corporation with one amendment.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I was pleased to hear the presentation of the two reports, in particular, the one from the special committee which outlines some of the principles. Having worked on that report, I think it might be wise to say to the Canadian people and to members of Parliament, they really should read those principles in the two languages that are in the report itself. I am sure the wording came as a surprise to the translator. The wording is very precise, and it was a very rough translation that we heard over the House of Commons system. In this particular area, the precision of language is extremely important. I simply wanted to bring that to the attention of the House. If you were so inclined, Mr. Speaker, it might be useful for the presenter to read those principles in the other official language of the country, English, so that we have both going across our telecommunication system. I see nods from members of both the Liberals and the NDP, so perhaps we might take a moment to do that because of their importance.

• (1210)

[*Translation*]

Mr. Speaker: I thank the hon. member kindly for his statement, which was in impeccable French, the language of Molière. Perhaps it might also be made in English.

[*English*]

Mr. Danis: The particular section in the report referred to by the Chief Government Whip concerning general principles states:

> The committee believes that it is important for the House of Commons to reaffirm certain general principles that have traditionally governed the activities and functions of its Members and that have been central to the deliberations and conclusions of this Committee. These are consistent with the rights and immunities acquired by parliamentarians under the Constitution and the law of parliamentary privilege, and are necessary for the proper functioning of a parliamentary system.
>
> The Committee recommends that the House of Commons reaffirm the following principles that apply to its Members:
>
> a) that the Board of Internal Economy is the authority which determines how the financial resources and administrative services provided by the House are to be applied and adhered to;
>
> b) that in the performance of a Member's activities and functions, a Member is entitled to financial resources and administrative services provided by the House, subject to the statutory authority of the Board of Internal Economy;
>
> c) that partisan activities are an inherent and essential part of the activities and functions of a Member;
>
> d) that a Member has the constitutional rights and immunities applicable to that office and independence in the performance of the activities and functions of that office free from interference or intimidation; and
>
> e) that a Member is allowed full discretion in the direction and control of the work performed on a Member's behalf by the Member's employees or independent contractors and is subject only to the authority of the Board of Internal Economy or the House of Commons in the exercise of this discretion.

* * *

CHIEF ELECTORAL OFFICER

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to raise an item of business under the heading of "Motions" which I believe will commend itself to the House.

As hon. members may know, Mr. Jean-Marc Hamel will cease to hold office as Chief Electoral Officer on Monday, February 19, 1990.

The Canada Elections Act requires that the Chief Electoral Officer be appointed by resolution adopted by the House of Commons.

There has been consultation with the Opposition and I believe you will find unanimous agreement to the appointment of Mr. Jean-Pierre Kingsley as Chief Electoral Officer.

Therefore, I am pleased to move the following resolution:

> WHEREAS Mr. Jean-Marc Hamel will cease to hold office as Chief Electoral Officer on February 19, 1990;
>
> AND WHEREAS subsection 6(2) of the Canada Elections Act, Chapter E-2 of the Revised Statutes of Canada, 1985, provides that in the event of a vacancy in the office of the Chief Electoral Officer, the vacancy shall be filled by resolution of the House of Commons;
>
> BE IT therefore, resolved that Mr. Jean-Pierre Kingsley is hereby appointed Chief Electoral Officer effective February 19, 1990.

Mr. Speaker, if I may, I would like to break with tradition at this point and suggest that because of the importance of this particular resolution, and that Mr. Kingsley will become an officer of Parliament, the motion be seconded by the member for Thunder Bay—Atikokan and the member for Kingston and the Islands in order to indicate that there is unanimous agreement and that all three parties concur in this particular motion.

If I may, Mr. Speaker, I would like to put on the record a few words regarding the new appointee, Mr. Jean-Pierre Kingsley.

[*Translation*]

Jean-Pierre Kingsley is a graduate of the University of Ottawa. He has held several positions in the Public Service and the private sector. From 1977 to 1981, Mr. Kingsley was President and Chief Executive Officer of the Ottawa General Hospital. From 1981 to 1984, he was Assistant Deputy Minister in the Department of State for Social Development. Later, he was Deputy Secretary of the Personnel Policy Branch at Treasury Board, until 1987.

[*English*]

That, Mr. Speaker, is the area where I had the pleasure of working with Mr. Kingsley, who I see in the gallery today. I want to say personally that this is a very

fine public servant who will do the position of Chief Electoral Officer and the country proud.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Lewis: Canada is fortunate to have this great administrator as Chief Electoral Officer.

[*English*]

I also want to place on the record a word of appreciation for the retiring Chief Electoral Officer. For some 24 years, Mr. Jean–Marc Hamel has been the Chief Electoral Officer of Canada. He undertook those responsibilities on June 6, 1966, and was responsible for the administration of the act during the last seven general elections, since 1968.

Mr. Hamel has always undertaken his work with a thorough understanding of the basic requirements of the position. I am quite sure that many hon. members here who have had the opportunity to come into contact with Mr. Hamel will agree that he possessed the fairness and the impartiality that has been traditional in this office and which is greatly desired and indeed necessary in the proper administration of the functions of the office.

I am sure all members will agree that Canada has been well served by Mr. Jean–Marc Hamel during his tenure as Chief Electoral Officer.

Some hon. members: Hear, hear!

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the motion that the Minister of Justice has placed before the House is one that I am very happy to support on behalf of the members of the official opposition in this House.

I am also pleased to say that we are delighted with the appointment that the Minister of Justice has proposed.

[*Translation*]

Mr. Kingsley is without doubt a very distinguished Canadian public servant. His career has been remarkable and we are very proud to have him as Chief Electoral Officer of Canada.

[*English*]

We look forward to working closely with Mr. Kingsley in his new office. We hope that we will establish with him the normal lines of communication that are so important between the political parties of Canada and the Chief Electoral Officer.

Speaking personally as the election critic in our party, I have worked with Mr. Hamel, and I look forward to working with Mr. Kingsley in the same way.

I must also say that on behalf of the opposition that Mr. Hamel has performed an outstanding service for Canada as Chief Electoral Officer for the last 24 years. In the short time that I have been able to work with him, I have found his knowledge of his office outstanding, his knowledge of the electoral law of Canada outstanding, and his ability to work with members from all parties outstanding.

I reflect the views of all hon. members when I say that he has been an outstanding public servant and an outstanding officer of Parliament, which, of course, is what the Chief Electoral Officer is.

The unusual part about today's appointment is the fact that this position is appointed by a resolution of this House. The position of the Auditor General of Canada and this position may be the only two appointments made by resolution of the House of Commons.

The fact that we are able to agree on an appointment of this kind is an indication of the co–operation that exists between all parties, and also because of the outstanding qualities that the new office holder has which have commended him to all members of this House.

I thank you for the opportunity to second this particular motion, Mr. Speaker.

• (1220)

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I also want to say a few words, both about the new appointee, Mr. Jean–Pierre Kingsley and the outstanding Mr. Jean–Marc Hamel.

Over the last couple of days, I had the privilege of working on behalf of my leader in the consultations to reach this point today, working in a fashion that we should do more of, particularly when it comes to either by statute or by process that we consult for these kind of appointments.

Mr. Jean–Marc Hamel is an individual who has developed a great amount of respect within my party over the 24 years of his service. We have had any number of senior members of the party who have worked directly with him both during and between elections, and they all

speak very highly of his approach to a very, very difficult job.

We thank him for those years of service and wish him well. We hope he appears before the Royal Commission to pass on his final thoughts as a private citizen as opposed to the Chief Electoral Officer. However, we do wish him well and I know he will find that there is life after elections, as all of us find out sooner or later.

I am pleased to second, on behalf of my party, the resolution appointing Mr. Jean-Pierre Kingsley as Chief Electoral Officer. We learned through our consultation process of his vast experience in the public sector, both in terms of government and the voluntary sector such as hospitals. In consultation with my colleague, the member for Nickel Belt, who has had occasion to sit across the table with Mr. Kingsley on matters dealing with conflict of interest, his most previous post, he indicates that Mr. Kingsley is extremely fair, straightforward and comes to the point. That is the type of individual we need in this office. It is a very delicate office. One could ask why Mr. Kingsley would even want the job, given the nature of it, but we look forward to working with him. Perhaps he may not be here for 24 years, but neither will some of us.

I congratulate Mr. Kingsley on what will almost immediately be his appointment after we pass this resolution. I and members of my party look forward to working with him in the years to come.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I will not prolong this, but I just want to endorse all the remarks that were made, especially by my House Leader, as well as those made by the spokesman for the official opposition and my friend, the hon. member for Thunder Bay—Atikokan.

Having shared with Mr. Hamel almost the 20 some years that he has held that position, and I do not want to go through all the elections we have shared together, but I just want to endorse, in a very personal way, all of the constructive comments that were made.

Jean-Marc Hamel, whom I got to know in those seven elections he held office, is the personification to me of the type of public servant this country has been blessed with. He had duality in both languages and he also shared duality in the practical problems of a politician along with the problems of interpreting the Canada Elections Act. In those few times during a campaign one had to phone the Chief Electoral Officer, whether it was Jean-Marc Hamel or someone in his office, the information came back and it really helped in those difficult times. As the deadline for the election day got closer and the tenseness thereby of the campaign got a little more heated, there was always the calmness and the commonsense of this office.

I wanted to say—and this may save me from writing a letter to Jean-Marc Hamel—these few words of encouragement for his tremendous service to the country, and for Jean-Pierre Kingsley, who I do not know as well but know about, I certainly hope that in his days as he gets initiated into this most fascinating world that he will obviously consult from time to time with Jean-Marc Hamel to see how you go about discharging such an important duty that affects us all in this land.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, like my colleague from Kingston and the Islands (Mr. Milliken), I would like to support the appointment of Jean-Pierre Kingsley. I know Mr. Kingsley; he is a dedicated, honest, down-to-earth man who is devoted to the community. I knew him on the board of directors of the Montfort Hospital in the region. I know that Jean-Pierre Kingsley will be an excellent Chief Electoral Officer for Canada.

I must also thank Jean-Marc Hamel for his work. I ran in only one federal election under Mr. Hamel and I hope to have the opportunity to run in many under the very capable direction of my friend Jean-Pierre Kingsley. Congratulations and bravo!

[*English*]

Mr. Speaker: I am also going to break with tradition and say something as your Speaker with respect to our retiring friend who is an Officer of Parliament, Mr. Jean-Marc Hamel. Not as often as my honourable friend from Annapolis Valley—Hants, but for some time now I have gone through a number of elections under the very competent guidance and administration of Jean-Marc Hamel. I want to join my honourable friend and others in expressing on behalf of others our very, very sincere regards and thanks—

[*Translation*]

I thank him for his dedicated work and I appreciate the efforts he has shown in performing his duties and obligations as an officer of Parliament. Because it was sometimes very easy for us to take for granted the efforts of a person like Jean-Marc Hamel.

[*English*]

It is an extremely difficult task. The fact that he has been able to do it—

[*Translation*]

—again and again, election after election, with no problems and no complaints from members of Parliament.

For me, that is an example of someone who has served the House of Commons and the Parliament of Canada with total enthusiasm, loyalty and devotion.

[*English*]

I think that I say those words on behalf of everybody to Jean-Marc Hamel. I will take especially the remarks of my honourable friends and other honourable friends with me in a few minutes because I am very privileged to be having lunch with him. I assure you I will give him your very fondest regards and we wish him very well in the future.

I also want to say to our incoming friend, Mr. Kingsley, I met with you, Sir, a few minutes ago in my office and I said: "Why did you want to do this?" I notice that the Hon. Member for Thunder Bay—Atikokan asked the same question.

You are taking on a very serious responsibility, not only for us but for all those who put themselves forward to serve our country in the electoral process of our country. We want you to know that you start these serious endeavours with our best wishes. We wish to welcome you as an Officer of Parliament. As I said to my colleagues, I am going to break with tradition and ask you to stand, Sir, while we recognize you as our servant.

Some hon. members: Hear, hear!

[*Translation*]

Mr. Speaker: Welcome and good luck!

Some hon. members: Hear, hear.

Mr. Speaker: Does the Hon. Government House Leader have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

• (1230)

[*English*]

Mr. Speaker: I am going to revert to motions. The hon. member.

Mr. Hawkes: Mr. Speaker, I really rose on two things. I am glad we are going to revert to motions, because I think there are some things that need to be done.

In my previous intervention on a point of order, I may have left the impression in the public domain that I was not happy with the translation. If I did so, that was accidental. It is my feeling that sometimes very technical, very precisely legal documents are read in the Chamber and I do not expect any translator, regardless of experience and skill, to be able to operate in a second language with technical precision. What I was really implying is that when we receive technical committee reports, which are always presented to the Chamber in both languages, it might be wise to automatically provide our translation booths with a copy of those technical documents, prior to their presentation in the House. Then translators in the booths can aid our listeners and members of the Chamber with very precise translations, which can only be done from written, prepared text. Maybe Table Officers could consider a way of making those texts available to those in the translation booths on a more automatic basis, and thus help us all out.

Mr. Speaker: The Hon. Member for Kingston and the Islands on motions.

[*Translation*]

ELECTIONS, PRIVILEGES, PROCEDURES AND PRIVATE MEMBERS' BUSINESS

CONCURRENCE IN TENTH REPORT OF COMMITTEE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I move:

That the Tenth Report of the Standing Committee on Elections, Privileges, Procedure and Private Members' Business, tabled in the House on Monday, February 12 of this year, be concurred in.

Mr. Speaker, the sole purpose of this report is to change the name of the committee whose lengths name I just read to: Standing Committee on Privileges and Elections. I believe all parties support the motion, and I hope the new name will make things easier for the new Chief Electoral Officer.

Mr. Speaker: Does the hon. member have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege, the responsibility and the honour to present petitions to the House of Commons from the residents of Hamner, Capreol, Lively, Naugton, Chelmsford, Onniping, Cartier, River Valley, Skead, Sudbury, Azilda, Val Caron, Coniston, and Levack, all in the province of Ontario, and also from Cranbrook, British Columbia and the following places in Nova Scotia, Greenfield, Bridgewater, Lunenburg, Annapolis Bay, Chester Basin, Halifax, Shelburne, Mahone Bay, Dartmouth, Blockhouse, Windsor, Liverpool, Sackville, Caledonia, Lockeport, New Germany, Bedford, Barrington, Digby, Port Mouton, Brooklyn and Dayspring, Nova Scotia. And, in New Brunswick, Chatham and Oromocto.

All of these petitioners point out that the government's proposed goods and services tax does not respect the consumers' and the taxpayers' ability to pay and that it is a regressive tax. They further point out that it is an unfair tax because there are very many wealthy Canadians and corporations who pay very little or no tax at all. They also point out in their petition that the tax is moving into areas that were not taxed before, such as haircuts, reading matter, diapers, coffins and home heating fuel. They have called upon Parliament to reject the current proposal and, secondly, that Parliament ought to undertake a study of the tax system to make it fairer. They call upon Parliament to reject with the proposal and not proceed with the goods and services tax.

VIA RAIL

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on the cancellation of VIA Rail. Even though this Parliament has cancelled it over the objections of the members on the opposition side of the House.

These petitioners deplore the cancellation of VIA Rail in Canada. They feel the people of Canada deserve a high quality passenger rail service including modernized equipment.

These petitioners humbly call upon Parliament to reconsider and allow the reinstatement of rail traffic in Canada.

GOODS AND SERVICE TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I would also like to present a second petition on the goods and services tax.

Petitioners have continued to sign petitions with regard to the possible imposition of this tax. These are from people in my riding of Nepean who are very much opposed to this imposition. Lowering the percentage rate has not appeased these constituents. They continue to oppose the tax that will increase inflation, higher interest rates and higher unemployment. They implore the Parliament of Canada to not impose this unfair tax.

CHILD CARE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise today under Standing Order 36, to present petitions from people across the country who work full-time in the area of child care, certainly in the training area, from

the University of Lethbridge and from the Association of Professional Educators.

This group of people sent me a petition that clearly states that the petitioners urge the government to honour its commitments to child care and to provide a comprehensive, quality, accessible and affordable child care program for Canada.

The fact that these people are early childhood educators and understand first hand and close up the need for that kind of child care speaks volumes. I also have a petition from farm women on child care. These are women who live in my riding of Mission—Coquitlam in the rural areas of the riding of Pitt Meadows, Abbotsford, Maple Ridge, Mission and the surrounding areas who believe and feel very strongly that for rural women to be able to play the kind of role that is needed in the farming communities and on their farms, there is a desperate need for accessibility to child care.

THE PRESERVATION OF THE CARMANAH VALLEY

Mr. John Brewin (Victoria): Mr. Speaker, I have the honour to present to the House nearly 10,000 names of petitioners on an issue of great importance to Canadians from coast to coast but of particular importance to those of us on Vancouver Island, British Columbia.

The petition relates to the Carmanah Valley and the earnest desire of the petitioners to do what must be done to preserve that valley. In particular, the petitioners ask for a full assessment of the ecological significance of the Carmanah Valley, including the merits and value of the Carmanah as a tourist attraction with extended trails to and from the west coast trail.

The petitioners ask, pending the results of that study, that the federal government enter into negotiation with the provincial government to protect and preserve the valley as an extension of the Pacific Rim National Park.

The petitioners, as I indicated, come from not only Victoria and Vancouver Island but from right across Canada. I notice a few names sneaked in here from Australia. There were a number of petitions from the United States which were not accepted but it does indicate the broad interest and concern in this issue.

I should just say in closing that the Western Canada Wilderness Committee and AWARE are to be congratulated for the effort they put into collecting these petitions and forwarding them to the House.

GOODS AND SERVICES TAX

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to present a petition today from some 35 Canadians who have joined the hundreds and hundreds of thousands of Canadians who object to this government's imposition of the goods and services tax.

Like the hundreds of thousands of others, they recognize that the tax is unfair and unreasonable and call upon Parliament to reject the goods and services tax.

• (1240)

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it gives me great pleasure to present this petition under Standing Order 36. The petition is against the goods and services tax.

[*Translation*]

—federal government's proposed consumer tax, something Canada has never seen before, as a result of which Canadians' incomes will be consumed like a candle burning at both ends: at one end will be the usual income tax, and at the other, this consumer tax, and a two-tier tax at that, Mr. Speaker at the provincial level, in many provinces, and at the federal level.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, the following questions will be answered today, No. 184 and No. 185.

[*Text*]

ASSISTANCE UNDER THE ATLANTIC ENTERPRISE PROGRAM

Question No. 184—**Mr. MacDonald (Dartmouth):**

Does the government provide assistance to individuals and organizations under the Atlantic Enterprise Program and, if so, by province and fiscal year (a) what number of projects was approved (b) what is the (i) name (ii) location of the individual or organization (c) what were the project costs (d) what jobs were (i) created (ii) maintained (e) what was the approved amount of assistance (f) what was the purpose of the assistance?

Hon. Elmer MacIntosh MacKay (Minister of Public Works and Minister for the purposes of the Atlantic Canada Opportunities Agency Act): Since the creation of the Atlantic Canada Opportunities Agency (ACOA) in June 1987, a total of 205 offers were accepted under the Atlantic Enterprise Program (AEP). Breakdown by province and fiscal year as follows:

AEP

NUMBER OF OFFERS ACCEPTED

PROVINCE	1987/88	1988/89	1989/90
Newfoundland	44	11	2
Prince Edward Island	14	0	0
Nova Scotia*	54	5	0
New Brunswick	70	5	0
TOTAL:	182	21	2

* includes Cape Breton

Please refer to reply to question no. 183 tabled this day for details on the remaining information requested.

ASSISTANCE UNDER THE ACOA'S ACTION PROGRAM

Question No. 185—**Mr. MacDonald (Dartmouth):**

Does the government provide assistance under the Atlantic Canada Opportunities Agency's Action Program and, if so, by province and fiscal year (a) what number of projects were approved (b) what is the (i) name (ii) location of the individual or organization (c) what were the project costs (d) what jobs were (i) created (ii) maintained (e) what was the approved amount of assistance (f) what was the purpose of the assistance?

Hon. Elmer MacIntosh MacKay (Minister of Public Works and Minister for the purposes of the Atlantic Canada Opportunities Agency Act): Since the creation of the Action Program in February 1988, a total of 6,887 applications have been approved of which 6,417 remain active. Furthermore, a total of 6,028 offers were accepted under the Action Program. Breakdown by province and fiscal year as follows:

AEP

NUMBER OF OFFERS ACCEPTED

PROVINCE	1987/88	1988/89	1989/90
Head Office	0	23	6
Newfoundland	2	840	357
Prince Edward Island	8	539	211
Nova Scotia*	10	1,350	554
New Bruswick	3	1,635	490
TOTAL:	23	4,387	1,618

* includes Cape Breton

Please refer to reply to question no. 183 tabled this day for details on the remaining information requested.

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Hon. Mary Collins (Associate Minister of National Defence): If question No. 183 could be made an order for return, this return would be tabled immediately. I ask that the remaining questions be allowed to stand.

[*Text*]

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Question No. 183—**Mr. MacDonald (Dartmouth):**

Does the government provide assistance to individuals and organizations under the Industrial and Regional Development Program (IRDP) and, if so, by province and fiscal year (a) what number of offers were accepted (b) what were the names of those firms (c) what assistance was granted (d) what number of jobs was created (e) what was the purpose of the assistance?

Return tabled.

[*English*]

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

GENEVA CONVENTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion Mr. Clark (Yellowhead) that Bill C-25, an act to amend the Geneva Convention Act, the National Defence Act and the Trade-marks Act, be read the third time and passed.

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to speak to Bill C-25, at third reading stage, and have an opportunity to express a few views and opinions on this whole matter of the Geneva Protocols. In 1977, in Geneva, two protocols to the 1949 Geneva Conventions

were achieved. Bill C–25 simply seeks to ratify the two protocols and to codify them in Canadian statute law.

In a general sense no one would object to the Geneva Protocols. However, I do have some reservations on some aspects of them. First of all I would like to talk about the general impact that such protocols have. The Geneva Conventions referred to law applicable in time of armed conflict, humanitarian law or rules of conduct in war. The protocol served to broaden the scope of the Conventions. For instance, they include additional protection for prisoners–of–war and rules regarding children in armed conflict.

In addition, the Geneva Conventions Act is amended so that its language is consistent with that of the protocols. The National Defence Act is amended so that there are no statutory limitations on the prosecution of serious breaches, again consistent with the protocols. Moreover, the amendment to the Trade Marks Act introduces legal protection for the new international distinctive sign for civil defence.

In the past, the Geneva Protocols and the Geneva Conventions were drawn up and adopted by various international governments, primarily in the western world, largely as a result of the slaughter that took place in World War I, in western and eastern Europe. It was an attempt to set forth rules and regulations and, indeed, laws of an international nature with respect to the treatment of combatants, both on the battlefield and upon being taken prisoner–of–war. Certain decent humanitarian provisions were set forth whereby prisoners of war, combatants in uniform, would be treated with decency and respect, not as a defeated mob but as soldiers, sailors, airmen, officers and other ranks. They would be treated according to a protocol that was already set forth in the various militaries prior to their going to war and prior to their being captured.

There is a certain amount of irony. This is one of the points I want to make. There is a certain amount of rather bitter irony attached to the Geneva protocols. What the protocols say is simply this: If you volunteer or if you are drafted and you go to war and you shoot and kill because you may be killed in return, you attempt to destroy your enemy, his munitions and his supply, total war, in other words, and if you are captured in doing so, coming out of a rather uncivilized, almost dehumanizing experience, and put into a prisoner of war camp, then you have to be treated in a certain civilized way. You have to be provided with clean, warm bedding, with meals that are nutritious, and to be treated in such a way that you are not tortured, hurt or harmed and you do not endure any physical or mental pain. If you are an officer, under no circumstances are you to be billeted with the other ranks. That was simply a throw–back to the class system that was prevalent in Europe in the 1920s. It was a reflection of the nineteenth century. There is a bitter irony here.

The protocols said that after you engaged in war, destruction and death, pillage and carnage and the destruction of all kinds of property of a military and non–military nature, you were to be treated with common decency. Moreover, if you were an officer, you were to be treated even better. You were to have better accommodations. You were not to be forced to do manual labour. But if you were a captured officer, you could, under orders from those who held you prisoner, order your other ranks, the privates, the corporals, the sergeants and so on, to do manual labour.

While this is extremely ironic, I am not arguing that prisoners of war should not be treated humanely. Of course they should. What I am saying is that while the protocols lay down certain rules of decency for combatants, we have no laws nor international conventions as to the treatment of innocent civilians. We bomb their homes, we bomb the factories, we flood the mines when the workers are in them. I read enough about World War II to make me as sick as anybody else. The allies who sent their bombers out day after day and night after night over Germany and other occupied countries in Europe for what they called precision bombing. When they discovered that we were no good at precision bombing and that, given the technology we had at that time, precision bombing was virtually impossible, we changed its name to saturation bombing. That way the bombardiers did not have to worry about hitting the target; a 1,000 planes instead of 100 were sent to wipe out whole sections of cities. Both sides indulged in this kind of carnage.

While we spent a lot of time in the 1920s drawing up the Geneva Protocols as to the treatment of combatants taken prisoner, we totally ignored those who suffer the most in war—the innocent, the elderly and the children. We still do. The ultimate desecration of humanity in the name of war and victory was the dropping of the atomic bomb in Hiroshima in August, 1945. We were not satisfied with the block–busters wiping out whole blocks of innocent people. We were not satisfied with saturation

bombing that wiped out whole sections of cities. We had to go to total destruction with the atomic bomb at Hiroshima and Nagasaki.

• (1250)

As we ponder this afternoon—and we will be supporting this legislation—humanizing the behaviour of combatants with respect to children and extending this treatment to combatants involved in civil insurrections and civil wars as this bill does, we should pause and think about how we can put into force international law with respect to the treatment of the innocent during times of conflagration. We should be spending far more time in attempting to bring about the end of war itself and building up statutory law of an international nature that would prevent or act as a severe sanction against any nation state precipitating a war. That is the thrust of our thinking.

I was very pleased to be a very small part of the Open Skies Conference this week. I had a chance to spend some hours at the conference centre. I congratulate the government for sponsoring this conference. Today, men and women of good will are coming together, both east and west, in an attempt to work out differences and put in place various protocols that will build confidence and establish a lasting peaceful order in Europe. A lot more has to be done in terms of the Third World and other flash points on the globe.

This legislation should be looked upon in a broader sense but also in another sense. We and the government have come out strongly in favour of extending the protocols to revolutionary movements, civil insurrection, where groups are fighting for democracy, freedom, and so on. But by the same token we find it very difficult to become involved in, or critics of, various incidents and events that are going on around the world that are contrary to peace, stability and the furtherance of democracy and liberty. I have several in mind but one would be the whole question of El Salvador.

I know that our Secretary of State for External Affairs has a different view with respect to El Salvador than does his counterpart in Washington. I am not trying for a moment to link the government with Washington on the El Salvador issue. But I honestly do not think that our government is doing enough to drive home to President Bush that the number one reason for fighting, killing and destruction in El Salvador today is the financial aid given by the United States to the Salvadoran government. If that financial aid were withdrawn tomorrow that entire struggle would come to an end in very short order. We are not doing and saying enough. We are not publicizing the wretchedness of the Cristiani government.

President Bush looks upon President Cristiani of El Salvador as that "beacon of light and hope", I think he called him, "for democracy in Latin America". Just a few weeks ago I had the privilege of listening to a young lady by the name of Miss Ridd in my constituency on a Saturday night who described to me the horrors of the justice system in El Salvador. Anybody who is thought to be working against the interests of that awful government of Cristiani is arrested and thrown into jail. One of the most popular kinds of torture in that country is to put a gunny sack around a suspect's head; tie it at the neck but before doing so throw in a handful of lime; and then beat the person so that when they hyperventilate and breathe in the lime, it burns their lungs. It is only a matter of months before they expire after they have been released. That is the beacon of hope for democracy in Central America that Mr. Bush refers to, the ARENA administration under President Cristiani.

So, I call upon our government to be more forceful and public in its condemnation of that regime.

Another area where we have totally walked away from protocol and international law and turned a blind eye was the American invasion of Panama. With the information we have, one can only conclude that former General Noriega is involved in illicit drug traffic. Obviously, he is a thoroughly disreputable individual and he should have been captured, arrested and brought to trial, et cetera. But just because an international criminal of great infamy is at large in a country does not lend any credibility or justification to the United States—a country that purports to be a democracy—to invade that country with military force to overthrow its head of state.

We have international police forces, international law, custom, jurisprudence, rules and regulations and proto-

cols to deal with that in a civilized way. Yet, it is little wonder that the President of the United States ordered that invasion. He had read the polls and had been told that he had a sort of wimp image and that he had to get tough. He had to present himself to the public as a Rambo and that is why it was done. Within a day or two polls were taken and some 80 per cent of the American people backed him. And this government backed him. That is what I find despicable at this moment. Without any reservation the Government of Canada stated that it was regrettable but it supported the President of the United States and his invasion of Panama.

There are other places where we are not doing enough to bring into focus and observation assaults against democracy, liberty and human rights. I refer, of course, to East Timor. Despite the UN Charter's recognition of the right of a people to self-determination, the Canadian government refuses to recognize this right in practice when it comes to the case of East Timor.

East Timor is occupied by the Indonesian government following an invasion in the late 1970s. Canada has accepted the occupation and even engaged in efforts to have the issue removed from the UN human rights agenda. That is not acceptable. If we really believe in decency and humanity in international protocols, if we really believe that we have to treat people in a humane, decent and fair manner in time of war, civil insurrection and civil war, then we have to be consistent and support human rights and civil liberties throughout the world regardless of political ideology.

I can refer also to the situation in Romania as it existed before the violent overthrow of the Causcescu regime. We have been involved in that country for a number of years with respect to the construction of a Candu reactor. Surely, there must have been some Canadians attached to that project who were aware of the wretched, inhumane working conditions by which the Romanian people had to labour. It was nothing short of slave labour camps, working on starvation diets. Our hands are not clean. If we did not know, we should have known. When we found out, as I suspect we did months before, we should have cancelled the project at that moment and dismantled what we had done rather than adding more to that wretched inhumanity to the slave labour workers by continuing to construct the CANDU reactor.

• (1300)

There are many other examples of human rights being denied and Canada doing very little about it. I will refer finally, and there are many others, to the West Bank and Gaza—to the Middle East. As I have said on many occasions in this House the problems of the Middle East will not be addressed and peace will not come to that tortured part of the world until the Palestinian cause is addressed and settled. I do not care what has been argued and said in the past by members of all parties, the fundamental fact remains that the Palestinian people have been denied a homeland. They have been denied that homeland for over 40 years. It is their land, their buildings, their farms, their orange groves.

It is rather interesting that the State of Israel today can say, "The reunification of Germany is up to Germans. As long as they promise to be democratic, law-abiding it is not going to be a bad thing, it is not going to hurt us." I agree with that argument. But when it comes to re-establishing a homeland for the Palestinians, when it comes to Palestinian rights, human rights and liberties, somehow Israel cannot apply the same measure of honesty and decency. With wave after wave of Soviet Jews now emigrating from the Soviet Union, no doubt for many good reasons, and going to the Middle East, going to Israel, this powder keg is going to blow up. There is no other way of putting it.

Why is the Canadian government not taking a more active role? I know the Secretary of State for External Affairs has come out as a much stronger defender of the Palestinians and the Palestinian cause than any of his predecessors. I congratulate him for his courage. But I call upon this government, that if it really truly believes in the protocols that are going to be passed into statutory law later today through third reading vote that it also adopt the same humanitarian approach to all of these other examples where human rights are being violated, whether it is in El Salvador, Panama, East Timor or as they were in Romania and as they have been for 40 years in the West Bank and Gaza.

I want conclude by simply saying, yes, we will accept this third reading. We will support Bill C-25. But I hope that this government will expand its thinking and will expand its work in the field of human rights bringing a sense of humanity to international protocols and bringing justice to down-trodden people such as the Palestinians in their valiant struggle to establish and re-establish for themselves their homeland. So we in the New Democratic Party support Bill C-25 at third reading

and I suspect that it will be given that third reading in due course this afternoon.

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I rise to support Bill C-25, an Act to amend the Geneva Conventions Act. I want to address my comments on this important bill. It governs the laws applicable in time of armed conflict and it serves to include the additional protections for prisoners of war and the rules regarding children in armed conflict. This is to be applauded although as my hon. colleague has pointed out that being the last decade in this century it seems somehow anachronistic that we are still making rules to govern behaviour in time of war.

There are a number of wars going on in the world currently. These protocols are expanded to the rules not only in international conflicts but to cover civil wars. When I was in Africa, in Eritrea, in 1986, during a civil war, there was no UN observation of the prisoners of war in the region in which I was travelling. Fortunately, I can report to the House that the 10,000 prisoners of war in an open camp, helped by the Eritrean Peoples Liberation Front, were being fairly treated in spite of the aerial bombardment of their former comrades in the Ethiopian air force. The Eritrean people managed to try to keep them safe in spite of the ongoing war. The extension of these conventions to include victims of civil war is an important amendment that should be applauded.

I want, in my address this afternoon, to pursue two themes regarding Bill C-25. The Canadian government supports international conventions, and this particular international convention, but there is an inconsistency here with the application to those conventions that Canada has already signed. Previous speakers have addressed a number of examples. I would just like to reiterate a few as well as add a couple.

Second, while working not only to develop rules of conduct for wartime, we should be putting additional resources into the prevention of wars. I have some suggestions on how that can proceed.

Let me turn to my first theme, namely, that there is an inconsistency of Canadian government policy with regard to the application and respect for international conventions.

As this House knows, I travelled to El Salvador last spring during that country's elections. Subsequent to that the ARENA government came to power and we have seen massive violations of human rights under the ARENA government. We have seen the bombing of the civilian population which is in absolute disregard of the UN declaration.

As we have seen on our television screens, there is the kind of mistreatment or lack of treatment accorded to FMLN fighters in the city of San Salvador, where they refused treatment to those wounded in wartime. Yet Canadian silence has encouraged the ARENA government. If there are these international protocols, why do we not speak out more forcefully when they are violated so blatantly as the ARENA government in El Salvador has done?

We cannot do more than pay lip service to these conventions. It is all very well but the signing of them means something more than a just a piece of paper. We have a responsibility to make sure that they are respected.

Then there is the issue of Panama. The Canadian government's support for the American invasion of Panama, I think, has received the kind of reaction from the Canadian media and the Canadian people that it deserved, that it was a direct contravention of the international principles of national sovereignty. This kind of excuse that the Canadian government has given that, "Oh, this was a special case, and that we have to make sure that the Americans are supported in this very special case", is absolutely utter nonsense. If there are international conventions we have to respect them and there are can be no special cases for the violation of national sovereignty. We are talking about the kind of chipping away at what the United Nations is about by that kind of support for such blatant American expansionism as I would like to term it.

• (1310)

There is another example of ignoring an international body's rulings—and I would like to expand on that—and

that is the whole issue of asbestos. Canada has ignored international labour organizations restrictions on the sale and use of asbestos. We are selling tonnes of it to Thailand. I think this kind of contradiction of international convention is most despicable. When we sign a convention we have to live up to its terms; that is why we sign it. The tripartite agency of the United Nations had been concerned with the hazards of asbestos in the early 1970s.

Canada regarded a number of the proposed provisions of the code of practice of the United Nations dealing with this issue as serious threats to the asbestos industry.

Canada undertook a world-wide embassy by embassy diplomatic offensive in Third World and East Bloc countries. Most of these governments guaranteed that all the delegates sent to Geneva would be pro-asbestos. This is not an inconsistency; it is an outright contradiction to what Canada said they were for. Despite this concerted action to defeat the International Labour Organization's recommendation, the UN convention did pass narrowly.

In another little side bar to all of this, Canada which normally rails against South Africa's blue asbestos came to its aid saying it should not be there because it was irreplaceable. This convention on asbestos was to try to obtain substitutes. It did narrowly pass. As soon as it did, Canada being a signatory opened a disinformation campaign to try to lessen its effects. This is shameful behaviour of a supposedly responsible, well developed western nation. Canada blatantly ignored clear International Labour Organization directives and put together a sophisticated marketing package. It now fully intends to offset its dwindling sales of asbestos in western Europe and North America by turning to the underdeveloped countries of the Third World for markets.

This is the kind of outright contradiction to international conventions that is totally unacceptable. If we are signing these things we have to be able to respect them. We have to stand as an example that it is not just a piece of paper, that it has to be respected.

I point out that we are in favour of signing these conventions. The conventions on conduct are important examples and symbolic gestures during the time of war. Because it now extends it to prisoners of war in civil wars, there is a recognition that the kinds of wars which are sometimes the most brutal are those that are not international in nature but are civil. There are national liberation fronts which are also worthy of our concern to ensure that the rules of war are respected.

I am told that the Americans are having second thoughts about ratifying the protocols which we are speaking about this afternoon for that reason. They have some concern about respecting prisoners of wars of national liberation movements and giving them a recognized status. Canada's ratification of this bill this afternoon will be an important symbolic gesture that Canada sees the importance of addressing the concerns of prisoners of war of national liberation fronts.

My second theme is about the whole situation of preventing wars. We have the rules for conduct of war, but we have to give resources now to preventing wars to make them an obsolete form of conflict resolution. There is a number of ways that we can do that. First, we have to improve the resources to the United Nations. The United Nations is an international body that has always been zapped of resources and has been trying to play the peacekeeping role, the conflict resolution role and all such things with very limited resources.

We have seen the kinds of examples when it does work such as in Namibia, which gives us great hope that this is the kind of expanded role the United Nations can play.

We also know that Canada has allocated its armed forces to take place in the peacekeeping observation role in Central America. This is something that should be applauded. These are where our resources are. It is a good investment. It is an investment in peace. Not just an expansion of the United Nations role is necessary, we have to ensure a more equitable distribution of the world's resources.

As a member of the subcommittee on international debt, I am acutely aware of the kind of conflicts that result because of poverty. That is something we as Canadian citizens have to be concerned about. It does affect us. Those conflicts in El Salvador, those conflicts that I have witnessed in Africa and Eritrea, affect us because those people are at war. It is not just the horrible human costs, but it is threatening to us; international security is threatened when there are conflicts.

We have a role to play in international development assistance. I hope the finance minister is watching this afternoon and hearing this debate. When he is considering the budget that will be coming down on Tuesday, he should realize that international development assistance is something that should be increased, not diminished. When we are increasing international development assistance we are making sure that wars can be prevented, giving people an option or some hope that they can develop their own resources and their own autonomy.

In conclusion, I say again that we approve of Bill C-25. We are happy to give it approval at third reading which I understand will happen later on today.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I will be very brief. My hon. and gallant colleague from Bonavista—Trinity—Conception spoke at second reading of this bill and indicated the full support of our party.

He said that it was a fantastic bill. He said that it talked about human dignity, human life, and human rights. All those things we support, and we think the bill is a good one. I will not go into detail. He gave a lengthy speech at second reading indicating the reasons for our support. I agree whole-heartedly with what he said and commend his speech for reading by hon. members. I think it was an excellent speech on Canada's external relations and on peace and war in this century generally.

We will support the bill at third reading.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

• (1320)

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

Some hon. members: Agreed.

Motion agreed to, bill read the third time and passed.

Government Orders

CANADIAN CENTRE FOR MANAGEMENT DEVELOPMENT

MEASURE TO ENACT

The House resumed from Monday, December 4, 1989, consideration of the motion of Mr. Mazankowski that Bill C-34, an act to establish the Canadian Centre for Management Development and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, as I was saying back on December 4 when I started to speak on this bill, I have to judge it in the context of what I believe the role of the Public Service of Canada is and whether this is or is not supportive of that role.

I was saying that no program we mandate or fund in this House is delivered without the Public Service employees of Canada. They are our eyes and ears on the front line of service to the public, feeding back to us, if we are wise enough to listen, the changing needs of Canadians and the world we live in. The role of the Public Service and how best to support the further development of competence, excellence, creativity and commitment to the nation and to service to the public depends on how one views the role of government. There is a huge myth that if only government worked like the private sector, God would be in Heaven and all would be right with the world.

There is a very clear and different role for the two sectors. The bottom line of the private sector is profit and the bottom line of the public sector is service to people and to the future of Canada. Both have to operate efficiently and effectively but each has a different reason for existing. That means they exist and operate in different ways.

[*Translation*]

Mr. Speaker, the Government of Canada is the biggest employer in this country. There are one-quarter of a million public servants working directly for Canadians. Another quarter million work in Crown corporations and more or less independent but federally regulated government agencies.

[*English*]

This, in my view, gives the Parliament of Canada tremendous responsibility to ensure that government leads by example, to be on the cutting edge of new

approaches to developing the most important resource any nation has the talent and the ability of its people. The people resource becomes even more important as we head toward an economy where 70 per cent of the economic activity will not be in resource development and manufacturing but in services and information. Who should know better than government the ethic of service and the importance of information to the setting of future direction.

[*Translation*]

The workplace faces many challenges. Technological change requires us to consider human resources in a new light and realize that young people will no longer be schooled and trained in the expectation that for the rest of their lives, they will have a relatively stable occupation. It is essential to provide for on-going renewal of workers' skills if we are to avoid constant disruption of people's personal and professional lives.

It will be extremely important to have a good idea of employees' abilities so as to maximize their development. We must get rid of our prejudices about who is the best equiped to exercise a given profession and about the value of work which, for many years, was evaluated according to the social groups that were traditionally responsible for certain tasks.

[*English*]

If justice and fairness and equity were not compelling enough reasons, making the best possible use of every bit of talent this nation possesses requires that old biases and barriers be stripped away. The government must ensure that minorities, women, disabled persons and aboriginal peoples are given an equal opportunity at employment and advancement in the Public Service.

The workplace of the future will require flexibility to change. Old ideas about hierarchy and top-down management, every old concept about organizations and reporting structures will need to be re-examined. The pace of change will be too fast to rely on the old models of reorganizing massive structures to respond to new needs. Working relationships will need to become more important than reporting relationships, or the structures in which they operate.

[*Translation*]

On big issues like the environment, the old procedure of determining who is responsible and who is liable and who must make decisions will just not work. New relationships will have to be established in a spirit of partnership between decision-makers, managers and workers. The government must show the way in this regard.

[*English*]

I have examined the milieu of the Public Service and I have been struck by the lack of any cohesiveness in setting policy and direction for the most important tool of government. The Public Service is responsible for advising on policy, for delivering services and for managing the fiscal and physical resources of the people of Canada. I am amazed that there is no committee of this House that routinely calls to account the Treasury Board, the Privy Council Office and the Public Service Commission for their management of a work force of 250,000 people, 10 per cent of the national expenditures.

[*Translation*]

It is distressing to note that the right-wing policy of contracting out, privatizing and dismantling government institutions, the means by which public policy is carried out, is being applied without any consideration of its effects on the professionalism and dedication of the Public Service, on the quality of public services, on the protection of public health and safety and on the costs of government.

[*English*]

People are being hurt in the process. Careers are being interrupted in mid-stream. Staffs have been downsized to the point of exhaustion, families are being devastated to the point of instability and uncertainty about their future. Whole communities are being decimated. Morale is down, people are stagnating in their careers, the Public Service is aging, its international reputation for excellence is being lost. Yet, there is no mechanism for holding the government accountable for its actions.

That is the context in which I examine the bill. Will it improve accountability for the functioning of the Public Service? Will it better prepare the Public Service to meet the challenges of the future with creativity, competence and optimism? Will it reinforce or damage the commitment of the Public Service to the future of the nation

and to service to Canadians? Will the centre encourage the partnership of all employees in achieving those objectives?

[*Translation*]

Will it help or hinder the development of the talents of all those who work for the people of Canada? Will it help all public servants, regardless of their sex, colour, ethnic origin or handicap, give their best or prevent them from doing so? Will it better prepare the Government of Canada to show initiative and set an example of enlightened human resource management?

[*English*]

There is a desperate need for revitalization of the public sector for restoring pride and commitment to service to the public, and for restoring confidence that the importance of one's work is understood and valued. That has been seriously undermined in recent years. The rebuilding needs to be a joint effort, drawing on the knowledge, experience and dedication of all Public Service employees. Yet, I have serious concerns about the potential for the Centre for Management and Development to further isolate management from the shop floor, so to speak.

I have some serious concerns that the bill and the centre itself isolates management from the very sources of renewal, the people on the front lines, in the labs, out there serving the people of Canada from coast to coast.

• (1330)

The management structure of the centre ensures that only the upper echelons will have any say in how the centre functions, how management functions and ultimately how the Public Service functions. It further isolates management from accountability to Parliament and, therefore, to the people of Canada by concentrating power, control and decision-making in the Privy Council Office.

It has the potential, if it is not properly structured, to further block entrance to management by groups that have traditionally been excluded, to set up an exclusive management cadre of people who belong to the same clubs, went to the same schools, go to the same dinners and live in the same neighbourhoods. That is not what the Public Service of Canada needs. It makes no provision for linking management training with training throughout the Public Service.

The legislative committee on Bill C-34 and Parliament will have a unique opportunity to examine the results of the bill before it is passed because the centre has been operating for over a year. It will have the obligation on behalf of the people of Canada to find out why a budget of $4.5 million for executive training has jumped to an extravagant $11.5 million for this centre. It will have to take the time to find out whether this expenditure is improving the management and functioning of the Public Service of Canada or only preserving the turf of the management category.

I am happy to support this bill in principle. I think an initiative is needed. I look forward to a legislative committee where some needed amendments to the bill will be introduced to overcome some of these problems I have mentioned and to make sure the bill accomplishes its mission. This is no time for luxurious, over-funded, self-serving elitist institutions. It is time to get down to the hard work of preparing the Public Service of Canada at all levels to meet the challenges of the future with creativity, daring and innovation. It is time to win the confidence of every employee and to reinforce their ability to contribute to the building of a nation which has just begun.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a bit of a shame that this bill has not come forward for debate a little sooner, or a little more often, or we had talked a little less often so it could have gone to committee. Then members would have a chance to scrutinize it thoroughly to see if it meets the goals and objectives many of us think it is designed to meet.

We think it is good for the country. It will enable our civil service to exercise a leadership role on behalf of young people today and on behalf of the future of the country. Good management and utilization of taxpayers' dollars and resources are very important principles. It is very important. We have a long, honourable and very positive tradition in that regard with the civil servants of this country.

A lot of people did not see the recent comments in the Auditor General's report about how the civil service in 1990 is producing better quality and more goods and services with the utilization of fewer resources. That is a trend line over the last five years.

As politicians and a new government we would like to take some credit for it. But in the final analysis, it is the people in the workplace who deserve the credit. As politicians we help set goals, give direction and objectives, but that is as far as we can go. If the spirit is willing and the skills are there, then the people who manage the resources on a daily basis are the ones who make it happen on behalf of Canadians.

It is the government's wish that we conclude debate on second reading so it can go to committee. We did spend some time earlier on committee reports that ate up a little bit of time. Therefore, with that in mind, to make sure that members who want to speak have a chance to do so but so that we finish second reading stage today and get it to committee I would move:

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of second reading and reference to a legislative committee of Bill C-34.

Mr. Deputy Speaker: The House has heard the terms of the motion moved by the hon. member for Calgary West. The motion is in order and as hon. members know, after the question is put, the Speaker shall ask the members who object to rise in their places.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

And fewer than 15 members having risen:

Mr. Deputy Speaker: There not being 15 members rising, the motion is deemed to be carried.

Motion agreed to.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it gives me great pleasure to support Bill C-34, an Act to establish the Canadian Centre for Management Development and to amend certain Acts in consequence thereof.

[*English*]

The legislation establishes the Canadian Centre for Management Development as a departmental corporation focusing on the training, orientation and development of senior managers in the federal Public Service. The centre will also conduct research into issues directly related to public sector management and develop teaching materials related to its mandate.

The bill will retain the features of the previous bill, C-148, but establishes the centre as a departmental corporation rather than as a department. As a department corporation the centre will come under the direction of a board of governors composed of chief executive officers from the private sector, senior members of the Canadian academic community and deputy heads of the federal government departments.

[*Translation*]

Mr. Speaker, I would now like to pay tribute to John L. Manion, the first "Principal" of the Centre.

[*English*]

Mr. Manion, the first principal of the Canadian Centre for Management Development served in various functions in the Public Service for the past 37 years. As a dedicated public servant he deferred his retirement to set up this centre. His dedication included his love of helping others and of training people. He served 10 years in Manpower and 15 years in Immigration to rise to the position of Deputy Minister. It is a rare occasion indeed when a deputy minister rises from within staff. In 1979 he moved to Treasury Board before moving on to the Privy Council as senior personnel advisor. It was very fitting that John Manion be appointed as the first principal of the Canadian Centre for Management Development.

[*Translation*]

Mr. Speaker, I would like to add that Mr. Manion was named an Officer of the Order of Canada in 1984 and that he received the Public Service Outstanding Achievement Award in 1986. Moreover, in 1989, the Public Administration Institute of Canada awarded him the Vanier Medal in recognition of outstanding achievements and special leadership in public administration in Canada.

I would also like to pay tribute to the person who I think first had the idea of a Canadian centre for management development, the hon. member for Ottawa—Vanier.

• (1340)

[*English*]

It was the hon. member for Ottawa-Vanier who, in 1974, had the original idea. On October 31, 1977, the hon. member for Ottawa-Vanier introduced Bill C-304 in the House. He is the one who proposed this initiative.

In 1977, my colleague moved two motions in the House for discussions of this matter, one on May 6, and the other on October 31, 1977.

In 1981, he moved a new motion which was debated in the House. Finally, in 1987, he once again had a motion put on the Order Paper to establish a national school of government administration.

On behalf of my colleagues in the Liberal Party, I wish to express once again our support for this initiative to establish a Canadian Centre for Management Development, an initiative that was first brought before this House by a Liberal member, the member for Ottawa—Vanier, in 1974.

The centre replaces the former Centre for Executive Development in Tourraine operated by the Public Service Commission. The 1989–90 estimates for the operation of the centre are $9.6 million compared to $4.5 million in 1988–89. The centre is operating both at Tourraine and in the de La Salle Academy building on Sussex Drive.

Bill C–34 is a revised version of Bill C–148, and proposes that the CCMD be established as a departmental corporation with a board of governors rather than a department and an advisory council. The mandate of the centre includes the orientation, training and development of senior management in the federal public service and in the public sector, as well as in research into improved public sector administration.

Through training, orientation and development, the centre is designed to ensure that the senior public service managers improve the analytical, creative, advisory, administrative and other managerial skills and knowledge necessary to develop policy, to respond to change and manage government programs and services efficiently and effectively.

The centre will focus on attracting high–calibre candidates to the public service. It will conduct research into theory and practice of public sector management. The bill will also provide for co–operation between the centre and other institutions involved in management development and for the delivery of programs outside the public service.

The objects empowered to the centre are as follows: To encourage pride in the management of Public Service and to foster among Public Service managers a sense of purpose, values and traditions of the Public Service;

> to help ensure that managers in the Public Service have the analytical, creative, advisory and administrative and other managerial skills and knowledge necessary to develop policy, respond to change and manage government programs and services efficiently and effectively;
>
> to encourage and facilitate, through its programs and studies, the attraction of persons of high calibre to the Public Service, and to support their growth and development as public sector managers committed to the service of Canada;
>
> to develop and provide training, orientation and development programs for managers in the public sector and particularly for senior managers in the Public Service;
>
> to study and conduct research in the theory and practice of public sector management; and
>
> to encourage a greater awareness in Canada of issues related to the public sector management and the process of governance and to involve a broad range of individuals and institutions in the centre's pursuit of excellence in public administration.

[*Translation*]

We agree with the objects of the Centre for Management Development, which includes the object to help ensure that managers in the Public Service have the analytical, creative, advisory, administrative and other managerial skills and knowledge necessary to develop policy, respond to change and manage government programs and services efficiently and effectively.

We agree with its object to attract through its programs and studies persons of high calibre to the Public Service, and to support their growth and development as public sector managers committed to the service of Canada.

We agree with its object to formulate and provide training, orientation and development program for managers in the public sector and particularly for senior managers in the Public Service.

We could not agree more that we need a centre that will develop management skills, and improve the productivity of public sector employees and the quality of services offered to Canadians.

However, a number of reservations were expressed by my colleagues from the Liberal caucus. One of my colleagues from the other place was concerned that the government would be competing directly with the universities and their public administration programs. I share his concern, but I am confident that academics on the board of directors will ensure that the centre complements courses offered by various Canadian universities but does not try to take their place. Briefly, the centre will offer a wide range of courses, seminars, conferences and development workshops for managers. To do so, it will need many case studies as well as a wealth of documentation, most of which does not exist at this time, either in the public sector or our universities.

Other colleagues were concerned about hiring procedures, powers and accountability of the board of directors, and the need to ensure the centre remains sensitive to the needs of the public service. Finally, there were concerns that the centre would become an elite club for senior executives. I must admit I share some of these concerns, since there is no mention of ways of increasing the number of Francophones at senior levels or of providing for equitable representation of women, visible minorities, aboriginal people and the disabled. However, my greatest concern would be to see a stagnating public service.

I would like to mention the Corporate Management Strategy, as presented by the Canadian Center for Management Development. On the title page we see the theme:

[*English*]

"Excellence in thought and and action to overcome today's problems and to meet tomorrow's challenges".

The Statement of Mission and Vision is extremely admirable:

> The mission of the Canadian Centre for Management Development is to strengthen the management capacity of the public sector, and particularly of the senior levels of the federal public service, with a view to improving the quality of government and enhancing the service to the people of Canada.
>
> This mission will be accomplished, in full co-operation with Canada's best in the public, private, and academic sectors, by extending the frontiers of knowledge in the practice of public sector management and by developing in public servants the knowledge, values, and skills critical to overcoming current and future management challenges.

[*Translation*]

In concluding, Mr. Speaker, I would like to emphasize that I am delighted the centre will take up residence in the historic Académie de La Salle building, located in the National Capital Region. I hope the University of Ottawa will also be involved. This location witnessed the earliest beginnings of the University of Ottawa, at the turn of the century. Several years ago, the federal government renovated the premises, and it has given us a building that makes us proud of our heritage. The architecture was well preserved throughout the renovation of a building that was originally a French Canadian institution.

The University of Ottawa was founded at the turn of the century, and I myself had the honour and the privilege of graduating from the university in the 50s, with a master's in administration, majoring in education.

[*English*]

I hope the centre will be open and accessible to both public and private interests, includng MPs and their staffs, to promote understanding of government. The centre will be a benefit to small government agencies and scientific establishments that previously had no place for developing and fine tuning management skills.

• (1350)

Mr. Deputy Speaker: On a point of order, the Associate Minister of National Defence.

* * *

INCOME TAX ACT

NOTICE OF MOTION PURSUANT TO S.O. 57

Hon. Mary Collins (Associate Minister of National Defence): Mr. Speaker, I would just like to give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming the debate on the motion of the Minister of Finance for second reading and reference to the Standing Committee on Finance of Bill C-52, and on any amendments proposed

thereto, the government House Leader will move that the debate shall not be further adjourned.

Mr. Deputy Speaker: On another point of order, the hon. member for Thunder Bay—Atikokan.

* * *

POINT OF ORDER

HANSARD "BLUES"

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on a very important point of order. I have been advised by *Hansard* that they are unable to provide members who have spoken today with the traditional "blues" for correction purposes. I understand that they have a computer problem, not related to the flu that has been going around in the other offices.

I would ask Your Honour to give consideration to some temporary revision of the rules as it relates to making corrections. This is Friday. The House at some point this afternoon will adjourn for the weekend. Normally we would have had the "blues" before we left the Hill. That is obviously not possible today.

Normally when we arrive in the House on Monday we have the white copy of *Hansard*. In this particular case it may not be in the final form in which we usually receive it, only because members have not had the opportunity to correct the "blues". So I would ask Your Honour to give consideration to this and to indicate to the House on Monday, when you return, the process that will be used to allow members to make legitimate corrections in the *Hansard* record.

Mr. Deputy Speaker: The Chair will look into the matter and will report back to the member and the House at one o'clock on Monday when the House reconvenes.

* * *

CANADIAN CENTRE FOR MANAGEMENT DEVELOPMENT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–34, an act to establish the Canadian Centre for Management Development and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to stand here and speak on Bill C–34, an act to establish the Canadian Centre for Management Development and to amend certain acts in consequence thereof.

In 1977, my esteemed colleague, the member for Ottawa—Vanier, proposed, as a Private Members' Bill, the establishment of, in his words, "a sort of College Canada for the administration echelons of the Government of Canada whereby the excellent reputation of the Canadian Public Service known throughout the world would be honed, polished and made even more ready to serve not only the federal government but all of the people of Canada".

The bill tabled, which would have established such a centre, died on the Order Paper at the end of that Parliament.

On April 15, 1988, Bill C–148 was first introduced to Parliament. The bill, which received unanimous approval by the House of Commons on August 25, 1988, proposed to establish the Canadian Centre for Management Development. Unfortunately, the thirty-third Parliament was dissolved before the bill was sent back to the House for final approval. Therefore, Bill C–148, too, died on the Order Paper.

Legislation has once again been introduced in the House of Commons that would establish this centre. The bill is a revised version of Bill C–148 and proposes that the Canadian centre be established as a departmental corporation with a board of governors rather than a department with an advisory council.

This latter fact brings up an interesting point, one that came up during the space agency centre discussions. The revised proposal would have a board of governors rather than a department with an advisory council. Whenever this happens, the fundamental issue becomes whether this type of structure undermines the accountability of the centre to the government and to Parliament.

Furthermore, the responsibilities of the proposed board of governors are not clearly defined in this bill and thus raises many questions that should be thoroughly studied. For example, what kind of power will the board be given? The principal is an *ex officio* voting member of the board. Does this mean that the principal can, at the

same time, report to and be accountable to the board of which he or she is a member?

Because there are no selection requirements, can the governors be selected without due regard to equitable representation of women, visible minorities, aboriginal people and persons with disabilities? There is no limit of renewal of appointments to the board by the Order in Council. Could this not lead to the institutions becoming more insular and self-perpetuating?

I am very pleased that the proposal for the idea that the member for Ottawa—Vanier made over 10 years ago looks as if it may actually have time to possibly work its way through the system. The establishment of such a centre would provide for the orientation, training and development of senior managements in the federal Public Service and the public sector, as well as research into improved public sector administration.

The establishment of the centre goes a long way to correcting some of the problems in the Public Service that were pointed out by the Auditor General this past October. In his report the Auditor General said that the management of Canada's Public Service needs a new and creative outlook, one not concerned with vicious slashes, but rather a better management. The future holds new challenges and the Public Service needs to adapt to these challenges.

Through training, orientation and development the centre will be designed to ensure that senior Public Service managers improve the analytical, creative, advisory, administrative and other managerial skills and knowledge ncessary to develop policy, respond to change and manage government programs and services efficiently and effectively.

If this is to work, it is essential that we study whether the goal of the centre is to adequately prepare persons throughout the Public Service for management, including meeting employment equity objectives, and reflect adequately how management affects excellence, pride and Public Service attitudes at all levels.

I found it interesting to note that nowhere in Clause 4, which is where the objects of the centre are discussed, is there any reference to promoting the equitable representation in management of women, visible minorities, native persons and persons with disabilities. Nor does the clause refer at all to the relationship of management with employees at all levels or to the responsibility of the centre and the management category to encourage pride, excellence and service to Canada and Canadians by all Public Service employees. It is this excellence, pride and service that the Auditor General was referring to in his report.

In conclusion, the discussion of this bill is long overdue and I am very pleased to be speaking on it. The creation of this centre will go a long way in helping our public servants maintain that excellence. The creation of the centre would enable the Public Service to recruit and maintain highly qualified individuals. At the same time the centre would enable the Public Service to address some of the problems outlined in the Auditor General's report.

The Public Service is an essential part of the functioning of this nation. I am proud to represent a riding where there are many, many public servants. All too often this government forgets or misunderstands just how important the Public Service is. The creation of the Canadian Centre for Management Development would allow the Public Service the support it requires in order for its efforts to be more effective in maintaining that excellence.

Mr. Deputy Speaker: It being two o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NUCLEAR WEAPONS

TEST BAN TREATY

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved:

> That, in the opinion of this House, the government, as a signatory to the 1963 partial test ban treaty, should support the recent initiative made by 39 signatory countries to convene an amendment conference of all signatory countries to the treaty to convert the said treaty into a comprehensive test ban treaty which would prohibit the testing of all nuclear weapons.

He said: Mr. Speaker, this motion before the House asks the government to support the conversion of the partial test ban treaty for nuclear weapons into a comprehensive test ban treaty and to do so at an

amendment conference which is to be called late this year or early in 1991.

• (1400)

Some members of this House and some members of the public might not be familiar with this issue, so I think I should explain what the partial test ban treaty is and why it is so important.

The partial test ban treaty was signed in 1963 by President John Kennedy and Secretary Nakita Kruschev of the Soviet Union, and originally it was a treaty to deal with radioactive fallout. It was also seen as a means to stop the development of new nuclear weapons. According to the partial test ban treaty, the countries that signed the treaty pledged themselves not to test nuclear weapons in the atmosphere, under the sea, or in outer space. This meant that the only place left for the testing of nuclear weapons was under ground. Of course, since the signing of the treaty, all testing of nuclear weapons has taken place under ground.

That does not mean that testing has not taken place, as most of you know. As a matter of fact, there have been over 1,000 tests of nuclear weapons since 1963, all under ground. Unfortunately, these tests have led to the proliferation of new types of nuclear weapons.

In the 25 years or more that have passed since the treaty was signed, there have been over 1,000 under ground nuclear explosions. Through that testing, the superpowers developed the hydrogen bomb in the 1950s, which increased by ten times the power of the the original nuclear weapon. Through this kind of testing they have also reduced the size of the warheads so that one missile now can fire 14 warheads at one time. China and India have developed their nuclear weapons underground and so on.

In 1963, with the partial test ban treaty testing was abolished in the atmosphere, under water and in outer space. By leaving that particular avenue open, testing nuclear weapons underground, we have had a massive proliferation of nuclear weapons.

In this motion we are asking the government to support an amendment to the partial test ban treaty, which would make that treaty into a comprehensive test ban treaty and consequently ban the testing of all nuclear weapons. This is extremely important not only for the environmental consequences of testing but also to stop the development of new nuclear weapons. It is concluded by experts throughout the world that, if you could stop the testing of nuclear weapons, you could stop the development of nuclear weapons. This becomes an extremely important step in bringing about the end of nuclear weapons.

I want to point out that when President Kennedy and Secretary Kruschev signed the partial test ban treaty in 1963, their intention was to pursue a comprehensive test ban treaty. The partial test ban treaty in 1963 was all they could agree upon at that time. But if you look at the preamble of that original treaty in 1963, it said it was a first step toward the discontinuance of all test explosions of nuclear weapons for all time. That is in the preamble of the 1963 partial test ban treaty. They foresaw that one day they would end all nuclear testing. That was the goal of all United States administrations from the Eisenhower administration in the 1950s up until the administration of President Reagan. Unfortunately, under the presidency of Mr. Reagan, negotiations toward a comprehensive test ban treaty were halted in 1982. Nevertheless this has been the ongoing goal of many governments throughout the world, churches and peace groups who have been working for years to get a comprehensive test ban treaty.

When many peace groups saw how little progress there was in moving toward the comprehensive test ban treaty contemplated in 1963, they began to look for other methods of achieving that goal. It was Parliamentarians for Global Action who, a few years ago, noticed that in the Article 2 of the partial test ban treaty there was a provision for amending that particular treaty. This organization went about to try to get enough countries which were signatories to the treaty to activate the amendment process. Their purpose was if they could get an amendment conference called under the partial test ban treaty they would then propose that certain clauses of the treaty be amended to make it into a comprehensive test ban treaty. They decided to take this route because they had been so totally frustrated over 25 years in getting a new treaty which would be called a comprehensive test ban treaty.

According to the rules set up in the partial test ban treaty, it required one-third of the signatory nations to

activate the amendment process. Parliamentarians for Global Action went about the world seeking countries that would meet that standard and they did that. There were 116 signatories to the partial test ban treaty. With hard work they were able to get 39 countries to sign a request demanding an amendment conference and that was accomplished a few years ago. As a result of those 39 countries making that request, later this year we will have an amendment conference to consider transposing or converting the partial test ban treaty into a comprehensive test ban treaty.

Why is this so important? What is the state of military power and nuclear power in the world today? In 1989, the last year for which we have figures, the countries of the world spent over $1 trillion on arms of all kinds. The nuclear weapon states have accumulated approximately 60,000 nuclear weapons. Those 60,000 nuclear weapons have one million times more power than the bomb dropped on Hiroshima in 1945. There are 4 tonnes of TNT for every man, woman and child on the face of the earth—4 tonnes of TNT for every individual on the face of the earth—and are capable of destroying 800 million people in 12 hours. The more recent nuclear weapons are more accurate, faster, more concealable, and more mobile than ever before. I suppose the most dangerous of them are those that are found on the nuclear submarines because the nuclear submarines can travel the oceans of the world, always changing their positions. A single U.S. Trident submarine or a single Soviet Typhoon submarine has the power to destroy between 100 and 200 cities. A single submarine with its nuclear weapons can destroy between 100 and 200 cities. Together, the United States and the Soviet Union have 100 of these submarines.

These submarines can stay 100 miles off the coast of New England and hit almost any target in the United States. The same thing can be said for the American submarines in the Baltic Sea or in the Mediterranean. More troubling, these missiles carrying nuclear warheads can be launched by error and technical breakdown. The system is so decentralized and so operated by electronics that such errors and technical breakdowns can take place.

• (1410)

We just have to look at what happened to the Challenger spacecraft in the United States, which is not a nuclear spacecraft. Despite all the technology in the United States when this spacecraft was launched a few years ago, it exploded in air and all the Americans on that spacecraft were killed.

There was a similar occurrence in the Soviet Union with all its technology. Despite that technology there was the terrible accident at the Chernobyl nuclear power plant.

It is estimated that there have been 151 false alarms with respect to the launching of nuclear missiles in recent years.

We are confronted with a very serious situation, although there has been some progress in the last two years. In fact there has been some very encouraging progress since Secretary Gorbachev came to power in the Soviet Union a few years ago.

Since Mr. Gorbachev's coming to power and the more flexible response by the United States and NATO, we have had the conclusion of the intermediate nuclear forces treaty in 1987. We have had the recent treaty to ban chemical weapons. We had the Open Skies conference which was held here in Ottawa last week where agreement in principle was reached on the surveillance of NATO and Warsaw Pact countries by the aircraft of the other countries. We have the agreement for troop reductions in Europe to 195,000. We have the progress being made at the Geneva Conference and the Vienna Conference.

It is interesting to note that the Geneva talks, which have been going on since 1962, made virtually no progress whatsoever until about two years ago. Those talks went on every year since 1962. These were talks to deal with the control of strategic nuclear weapons. There was hardly any progress until Mr. Gorbachev came to power in the Soviet Union and now we see some progress.

As a matter of fact Mr. Gorbachev has proposed that all nuclear weapons be eliminated from the face of the earth by the year 2000. The United States for its part has proposed that they be cut in half as a first step in proceeding toward that goal.

The talks at Vienna are with respect to conventional armies in Europe. Again, substantial progress is being made. Those talks have been going on since 1973, although very little was done until recently.

We have had progress in the talks that I have referred to in recent years. We have had the conclusion of certain treaties, such as the intermediate nuclear forces treaty.

However, there is still a substantial amount to be done. As a matter of fact, we can be lulled into a false sense of security by what has been done already. If we look at the INF treaty, it simply provided for the destruction of 1,100 intermediate nuclear weapons out of a total of 60,000 nuclear weapons. That is simply a drop in the bucket when we consider the destructive power of those weapons.

It is extremely important to make progress because all of this is related to the further proliferation of nuclear weapons to countries which now do not have those weapons. In other words, progress on such matters as a comprehensive test ban is extremely important, if we are going to continue with the non-proliferation treaty which was started in 1970.

Let me say a word about the non-proliferation treaty. The non-proliferation treaty provides that those countries which signed it renounce the right to develop nuclear weapons. There were 124 such nations. Canada is one of them. Three of the nuclear weapon states out of five nuclear weapon states also signed the treaty.

According to the treaty those who did not have nuclear weapons pledged that they would not develop them. It is significant that from the implementation of that treaty in 1970 not one of the countries that signed the treaty that did not have weapons has proceeded to the development of nuclear weapons.

On the other hand the *quid pro quo* in that treaty was that the nuclear weapon states that signed the treaty—the United States, the Soviet Union and Great Britain—would pledge to reduce their stockpiled nuclear weapons, according to Article 6 of the non-proliferation treaty.

But they did not do that. As a matter of fact, the Soviet Union and the United States had 6,000 strategic nuclear weapons in 1970 and those increased to 20,000 last year. So while all the other countries that signed the nonproliferation treaty obeyed the provisions of the treaty, the nuclear weapon states did not do that. That is one reason given—although I do not accept it as being substantial enough—by countries like France and China that did not sign the treaty. They said, "Why should we sign this treaty when the United States, the Soviet Union and Britain are being hypocritical and not obeying the provisions of Article 6."

There are 15 states which are called threshold states, and they include India, Pakistan, Brazil, Argentina, Israel and South Africa, that did not sign the nonproliferation treaty and they did not sign it because they doubted the sincerity of the nuclear weapons states that signed the treaty. They had some reason for their doubt, as I pointed out. Those three states increased their stockpile of nuclear weapons from 1970 to the present time by four times.

Those 15 threshold states are developing the capability of producing nuclear weapons. The only way we are going to get them to reverse that trend and stop doing what they are doing is by proceeding and showing progress with respect to the control of nuclear weapons and the destruction of nuclear weapons by the nuclear weapon states.

It is important because the nonproliferation treaty comes to an end in 1995 and the last review conference with respect to the nonproliferation treaty will take place in August of this year in Geneva. These 15 threshold states and others will be watching to see whether they will become signatories of the nonproliferation treaty and whether that treaty will be renewed in 1990 for another period of time.

What about the Canadian government? Well the Canadian government of the day has a mixed record in this respect. It did an excellent job last week at the Open Skies Conference. It took a very strong position and progress was made. It is also a signatory to the Intermediate Nuclear Forces Treaty. All of that is good.

However, on the negative side, we see that the government is still testing the cruise missile which is outdated and completely contrary to the other negotiations which are taking place. We see that the government is about to establish a NATO base in Labrador. While the superpowers are agreeing to withdraw their troops from Europe this government is establishing a new NATO base in Labrador which is objected to by the aboriginal people of the area. And we see that the government is still clinging to the rhetoric of its White

Paper of 1987 which is really a cold war type document not in tune at all with the reality of today.

In conclusion let me say that never was the time better to push ahead with treaties and procedures to eliminate and control nuclear weapons. The door is open today for agreement in many areas with respect to the destruction and control of nuclear weapons and it may not be open for too long.

I plead with the government to support this motion. I have heard the Secretary of State for External Affairs speak on this on several occasions. He says he supports a comprehensive test ban treaty but he has doubt about the method by which we are proceeding under the amendment procedures in the nonproliferation treaty.

Those of us in politics know that if you want to accomplish something, use any method available to you because if you do not, time will pass you by. Here is an opportunity this year to bring about a comprehensive test ban treaty. The Soviet Union has already said that it favours proceeding under this conference and concluding a comprehensive test ban treaty to transform the partial test ban treaty into a comprehensive test ban treaty.

To many Canadians and many peace activists the conclusion of the INF treaty gave the impression that everything was going very well and they did not have to do very much anymore to press ahead with the abolition of nuclear weapons. That is not the case. I pointed out that we have only dealt with 1,100 out of 60,000 nuclear weapons. Here is an opportunity this year to have a comprehensive test ban treaty.

• (1420)

I hope that the entire House will support this motion and that the Canadian government will go to that conference and support the comprehensive test ban treaty.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I would like to thank the hon. member opposite for raising this issue of the greatest importance, that of nuclear disarmament.

For over 40 years the world has been faced with the potential of nuclear war, a horror which Canada has worked tirelessly to eliminate. Yet this threat remains with us still. In fact, despite the point of the member opposite that the cold war is over, I noted yesterday in *The Ottawa Citizen* that only one in four Canadians believe that the cold war is over.

Despite the very real improvement in east–west relations which we have witnessed over the past few years, we must not fail to recognize the continued danger, just as we must not lag in our efforts to combat it. We must continue to strive in every way possible for a free world or a world free of nuclear weapons or a world free from which the nuclear threat of holocaust has been banished forever.

As the hon. member has pointed out, and he has my full support in this regard, the realization of a comprehensive test ban treaty would constitute a major step toward realizing this goal. A comprehensive and effective ban on all nuclear testing, including the so–called peaceful nuclear explosions in all environments and for all time, would complete the work undertaken by negotiators in drafting the threshhold test ban treaty in the peaceful nuclear explosions treaty. It would effectively initiate a process of suffocation of nuclear weapons both as concerns their readiness and their development.

This is a goal of great importance to this government. In fact, in 1985 the Prime Minister listed the negotiation of the comprehensive test ban treaty, or the CTVT, as a key goal in a list of six primary arms' control and disarmament objectives.

Today, the realization of such a treaty remains a fundamental Canadian foreign policy objective.

Canada has been a supporter of the comprehensive test ban treaty ever since the concept was introduced in the 1950s, both in encouraging negotiations among the parties directly concerned and in supporting a pragmatic step–by–step approach at the multilateral level.

Canadian support for the comprehensive test ban treaty has taken a number of practical forms. Canada plays a leading role in the work of the conference on disarmament in Geneva in the development of a global seismic monitoring system which will be required to verify an eventual comprehensive test ban treaty.

Canada continues to play an active role in the United Nations General Assembly in seeking to secure broad, political support for the comprehensive test ban treaty and in support of efforts to establish an *ad hoc* committee on nuclear testing in the CD.

I must disagree, however, with the hon. member opposite in his suggestion that a partial test ban treaty is the appropriate vehicle for furthering our pursuit of comprehensive test ban treaties. This is clearly not the case.

The PTBT is a treaty which was negotiated at a time when the atmosphere surrounding arms control agreements was very different from that which we experience today. It was negotiated largely as a good intentions treaty without, for example, provision for the rigourous verification we would consider today so essential for a CTVT.

As well, two of the nuclear weapons states, China and France, are not even parties to the treaty.

In addition, it must be borne in mind that no amendment to the partial test ban treaty can come into effect without the approval of the original depository states, and here there is clear opposition. Canada has long recognized the futility of holding a special conference or a negotiation on a CTVT in the absence of support of the parties most directly concerned.

Meaningful arms control, including the progress on the comprehensive test ban treaty, requires that issues be approached in a forthright manner. In this case, however, proponents of the comprehensive test ban treaty are taking advantage of a legal loophole, the prescribed partial test ban treaty amendment procedure, to pursue an objective which they have been unable to achieve directly.

A partial test ban treaty amendment conference, instead of focusing on ongoing efforts where real prospects for real progress exists, runs the risk of wasting both time and resources. To some, it represents an irresponsible misuse of multilateral arms control and disarmament mechanisms. Its failure could undermine the confidence in the multilateral ACD process itself.

Indeed, the use of the terms of the partial test ban treaty to try to achieve the comprehensive test ban treaty, a procedure the original parties in the partial test ban treaty are not prepared to support and which was never the intent of the partial test ban treaty, could well lead some nations to be even more skeptical of our future multilateral ACD treaties for fear they might be similarly misused.

There is a further danger in the approach advocated by the hon. member. There are states which consider progress toward the CTBT objective to be an integral element of the non-proliferation treaty, or the NPT. Several countries have indicated their intention of linking extension of the NPT in 1995 to the successful outcome of the partial test ban treaty amending conference.

Under these conditions, the holding of a partial test ban treaty amending conference prior to the next NPT review conference would threaten to politicize consideration of the NPT related issues, including the CTBT objective. Its failure might be used as a justification by some to weaken the NPT, or even pull out. Efforts to link the extension of the NPT in 1995 to the successful conclusion of the partial test ban treaty amending conference could pose a serious threat to the continuation of international support for an effective nuclear non-proliferation regime.

Of course, I well understand the reasons why many states have been moved to call for the conversion of the partial test ban treaty into a comprehensive test ban treaty. Their frustration at the modest progress achieved in recent years toward the comprehensive test ban treaty objective at the political level is one I share. However, this is not the approach needed in moving toward our goal of a comprehensive test ban. It is an approach I do not support.

It is the position of this government that nuclear disarmament efforts should focus primarily on a negotiated, balance reductions of nuclear arsenals. Progress in that direction, including the realization of a comprehensive test ban treaty, requires a step by step negotiation of concrete and realistic measures, based on a foundation of confidence and security.

Fundamental in this regard are U.S.A./Soviet bilateral negotiations on nuclear testing which have focused, as a first step, on the development of improved verification provisions for the threshold test ban treaty and the peaceful nuclear explosions treaty. We have been pleased at the recent progress achieved in this regard, and hope this will lead to early ratification of these treaties and, following their implementation, the subsequent elaboration of further limitations on testing.

Fundamental, too, are multilateral efforts in support of the realization of a comprehensive test ban at the Geneva Conference on Disarmament. Consideration of this subject in the CD for the past four years has been constrained by a disappointing failure to reach agreement on the establishment of an *ad hoc* committee, the major issue of contention being whether an *ad hoc* committee on nuclear testing should have a mandate to negotiate. However, it is here that we find the optimal

multilateral vehicle for moving the process forward in the direction of a comprehensive ban on nuclear testing.

The Conference on Disarmament represents the best vehicle for long-term consideration of nuclear weapons testing. Although this issue remains stalemated in the CD, Canada will make every effort to break the current impasse over the establishment of the *ad hoc* committee, perhaps based on a modification of the East Block compromise proposal put forth by Czechslovakia's former representative to the CD, Ambassador Vejvoda.

In any event, we are pleased at the technical progress already achieved by the CD group of scientific experts relating to seismic verification to which Canada has contributed.

This does not of course mean that Canada will play a role in the upcoming partial test ban treaty amending conference that is in any way less than constructive. Canada was opposed to the convening of such a conference, for reasons which I have outlined here today, and which we have made clear to the superpowers in different multilateral fora. However, as this conference will take place, Canada will attend and endeavour to contribute to a realistic outcome.

Canada will not, as the hon. member has suggested, support a partial test ban treaty amendment attempting to turn the partial test ban treaty into a comprehensive test ban treaty. However, a partial test ban treaty amending conference which helps clear the air regarding a comprehensive test ban, and which represents no threat to the non-proliferation treaty, could have a beneficial effect in paving the way for a mandate in the Conference on Disarmament. This is a worthwhile and realistic goal, and one which Canada will strive to realize.

In closing, we believe that the government in order to achieve genuine progress in the area of arms control and disarmament should pursue energetic initiatives that have a realistic potential to foster progress toward our goals.

Our strong and active support for negotiating an open skies regime, which has been considered at the Open Skies conference in Ottawa, demonstrates this government's energetic and determined efforts to seize the opportunities that arise for real progress.

• (1430)

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I welcome the motion of the hon. member for Notre-dame-de-Grace for opening a debate that is very rarely heard in this House, not just the immediate subject, but the whole subject of nuclear disarmament.

His motion states:

> That, in the opinion of this House, the government, as a signatory to the 1963 partial test-ban treaty, should support the recent initiative made by 39 signatory countries to convene an amendment conference of all signatory countries to the treaty to convert the said treaty into a comprehensive test ban treaty which would prohibit the testing of all nuclear weapons.

This move has the support of 116 countries, which is a good majority of the United Nations. Unfortunately, some of the heavyweights have not supported it. The point of such a conference as is being proposed is to bring the public opinion of the whole world, or of two-thirds of the world or more that are represented in these countries, to bear on the heavyweights that are resisting the idea of a comprehensive test-ban treaty.

It has been the dream of hundreds of millions of people around the world that we would arrive at a reasonable decision to stop the use of nuclear weapons, to decide that we will never use them and, therefore, to decide that we will never produce them, to decide that we will never research their production, and to decide as a key decision, that we will never test the production of any new nuclear weapons.

When I was a soldier in the Canadian Army at Barriefield in August of 1945, being reorganized to go to the Pacific, as we thought, we heard about the bomb dropped on Hiroshima and then the bomb dropped on Nagasaki, then, of course, we heard about the peace which was coming anyway without those bombs. They were not directed so much at Japan as they were directed at the Soviet Union. The Japanese happened to be the target, that is all.

We have heard a great deal more in the last 40 years about these bombs almost always in the context of a grim

threat of World War III. We have been told by our side, the NATO side, that these bombs will protect us from World War III. The Soviet people have been told by their side that these bombs will protect them from World War III. I do not think that anybody really seriously believed either claim.

For the first five years after the United States dropped the bomb on Hiroshima, the United States had the monopoly. It was the sole country that had a nuclear weapon that it could use. Then in the early 1950's, the Soviet Union developed its nuclear weapons, then the race began so that now we have 60,000 of these. We do not know what we would do with more than about 1,000 of them because there would be nobody left to do it with.

The arms race has not only threatened the future, but it has actually killed people in the present. One researcher, Rosalie Bertelle, a Canadian scientist, estimates that one million people have already died in World War III. She is speaking of the people who have been contaminated by the radiation the radioactive substances spread into the air over the last 40 years by these tests, and spread into the Pacific Ocean where they cannot possibly be contained.

People finally mounted enough pressure that we got the partial test-ban treaty in 1963 at least to stop poisoning the air that blows all around the world and that all of us have to breath. This was to stop poisoning the air, and we thought to stop poisoning the sea, although the American tests violated the principle of that bill because their tests on the Atolls of the Southwest Pacific have contaminated the sea around them and the contamination is spreading. The British, not so much with their bomb tests, but with dumping waste from the production of bombs into the Irish Sea has also been contaminating the Irish Sea and the Atlantic.

Therefore, the idea grew that we might discourage the great expense of developing new weapons by prohibiting the testing, since there comes a point, so we are told, when it is not credibly worthwhile to go on with research unless you can test at least the preliminary result. The idea was to stop the testing, not only in the air, not only in the water, not only in space but also underground, because there also the poisons do not necessarily stay where they are originally put.

Since 1963 and before, there has been continuing proliferation. We now understand that China and India have nuclear weapons. We are not quite sure how many, or of what force. We are almost certain that Israel has 100 or so nuclear weapons. There is a strong probability that South Africa, Taiwan, Pakistan, and, maybe, Iraq either have them or are close to having them. A small country that no one though very much of in this game was Romania. Canada has provided CANDU reactor technology to Romania and even signed a secret deal to allow Romania to sell CANDU technology to Third World countries with whom, so the story goes, Canada finds it hard to deal. Now whether that means a country with which Canada has no official recognition, such as North Korea, I do not know. In letters to the Secretary of State for External Affairs, I have not been able to get any further information on points like that.

A story in *The Toronto Star* on December 30 from Southam News suggests that one of the countries that Romania might have sold that technology to was Iran. In other words, even Canada has not taken any serious measures to restrict the proliferation of the technology for producing nuclear weapons. Yet, I think a huge majority in Canada, as in other countries, would say that a future nuclear war, a future nuclear exchange to use the more technical term, cannot benefit us because there will be no winners. It will not be a question of winning that war as we believe we won World War II and we won World War I. There will be no winners. There will only be losers and that will include us.

For these four decades it has seemed impossible to get agreement because the political difference between Moscow, Washington, London and Paris seemed so great. In the last few years that political distance has shrunk. Yesterday we had Mr. Shevarnadze speaking to a large gathering of members of the House and speaking peace and drawing a peace response from those in the House who had the opportunity to question him. We had a year and a half when, under the Gorbachev administration, the Soviet Union stopped all testing of the bombs. Now we have the possibility for moving toward a total test ban treaty, a comprehensive test ban treaty. The hon. member who spoke from the other side claims that is not the right method but so far nobody has found any better method. At least we got part way with a partial test ban treaty and there is an obligation written into that. He calls it a loophole. That is a silly word to use. It

is not a loophole but an opportunity that a 116 states of the world have undertaken to use.

I believe our government should support not just the meeting of that conference, but the intent of that conference. I appeal to the government to reconsider its negative attitude on this subject and I appeal to the people of Canada to urge this government to do the same. We do have a chance to end the bomb testing.

• (1440)

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I would like to address the motion the hon. member for Notre-Dame-de-Grâce has put forward regarding a conference to convert the partial test ban treaty into a comprehensive test ban treaty.

As the Prime Minister said this week at the Open Skies Conference, the cold war is over. We all welcome the major shift and major developments that have been made possible by massive changes in attitudes in eastern Europe during the past few months.

As my colleague, the hon. member for Cumberland—Colchester has stated, Canada intends to contribute to this conference in a very constructive fashion. This House may therefore be interested in recent developments in this regard. The questions of timing and venue of the partial test ban treaty amending conference are currently being considered at a series of meetings in New York. Canada wishes to see these disagreements over administrative questions resolved in a manner that is satisfactory to all partial test ban treaty members.

Canada, despite its serious reservations over the usefulness of the amending conference, has already demonstrated its flexibility and willingness to compromise on the dates of the conference. Our preference is to hold the conference in January 1991 as proposed by the depository states. However, in a statement at the UN General Assembly our Ambassador for Disarmament, Peggy Mason, expressed Canada's willingness to support a short organizational first phase of the conference in 1990, followed by the substantial phase in 1991. This format represents a reasonable compromise and one that would appear to be gaining widespread support.

It is the government's hope that all members will demonstrate flexibility and a spirit of compromise in order to reach an early agreement on this and other administrative arrangements of the conference.

Although the amendment conference will be held in the near future, it is clear that the proposed amendment does not enjoy the support required in order to be adopted. We believe however that the conference need not be a failure. The Canadian delegation which will be headed by Ambassador Mason will work toward an outcome that will move the process forward to a comprehensive test ban treaty goal. More specifically we would hope that this meeting will give impetus to ongoing efforts at the conference on disarmament in Geneva, toward the realization of a comprehensive test ban treaty including as a first step the establishment of a mandate for an *ad hoc* committee on a nuclear test ban. If such a result is achieved—and we believe that it can be achieved—the amendment conference will have been a useful exercise.

Today there has been concern expressed here by members opposite about the commitment of the United States and the Soviet Union to the bilateral talks on nuclear testing. Canada strongly supports the bilateral U.S.A.—U.S.S.R. stage by stage negotiations on nuclear testing and welcomes progress on a revised verification protocol for the threshold test ban treaty that will permit the early ratification of both the threshold test ban treaty and the peaceful nuclear explosions treaty. We are encouraged by this progress and by recent U.S.A. statements confirming that a comprehensive test ban remains the long-term objective of the United States of America.

We will continue to press for an early agreement by the nuclear weapons states to move to the next stage of negotiations on nuclear testing and the ultimate goal of a comprehensive test ban treaty. We have been in touch with U.S. officials regarding recent claims that there has been a shift in U.S. policy on nuclear testing and that the U.S.A. would no longer be prepared to proceed immediately to the next phase in the negotiation of the comprehensive test ban treaty.

We have received assurances that there has been no change in U.S. policy on nuclear testing. The confusion seems to lie in a change of wording regarding when the U.S.A. would envision moving to the next step in negotiations on nuclear testing. The United States sees

itself moving to this step not immediately but following ratification of the threshold test ban treaty and the peaceful nuclear explosions treaty, after a brief period of observation of the effectiveness of the verification provisions agreed upon for these treaties.

I would like to repeat that. The U.S.A. sees itself moving to the next step not immediately following the ratification of the TTBT and the PNET but after a brief period of observation of the effectiveness of the verification provisions agreed upon for these treaties.

One very important point I want to emphasize here in the House is that in a joint communiqué issued after the Moscow meeting between Secretary of State Baker and Foreign Affairs Minister Shevardnadze, the United States and the Soviet Union reaffirmed their commitment to the 1987 agreement which set the step by step process in motion.

The prospects for a successfully amending the partial test ban treaty into a comprehensive test ban treaty are virtually nil. At least two of the partial test ban treaty depository states, whose votes are required for the passage of any binding amendment, have already indicated their strong opposition to the proposed amendment. In our search for a comprehensive test ban, let us focus on the ongoing efforts where real prospects for progress exist rather than concentrating our efforts and our hopes on a conference that will not achieve its stated aim.

In conclusion, there is no fast track to disarmament as much as we may wish otherwise. A negotiated step by step approach that has the support of all parties is the only way toward an effective and lasting comprehensive test ban treaty.

[*Translation*]

Mr. Jean-Marc Robitaille (Terrebonne): Mr. Speaker, I rise today to deal with the motion moved by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) and calling for a comprehensive nuclear test ban which is one of the long-standing objectives of the Canadian policy in the area of arm control and disarmement. There exists already a partial test ban treaty which prohibits testing everywhere except underground. Although Canada has never possessed nor tried to possess nuclear weapons, it has actively participated in the negotiations which resulted in 1963 in the partial test ban treaty of which it remains a faithful supporter. Moreoever, Canada is involved in the continuing consultation within the disarmement conference aimed at developing a mandate for those who will be responsible eventually to negotiate a nuclear weapon ban treaty. Canada is actively seeking a treaty prohibiting the use of all nuclear weapons, for it feels that a comprehensive test ban could seriously interfere with the development of new and more sophisticated weapons.

• (1450)

A comprehensive nuclear weapon ban treaty, however, could not be achieved simply by signing it. The ability to monitor the true application of such a treaty would go a long way to help negotiations progress in that area, because no nuclear power would seriously consider renouncing its right to test and improve nuclear weapons unless it were fully convinced that the other powers respect a similar commitment. The monitoring of a possible ban on underground nuclear testing will be mostly based on seismic verification techniques which could be used and which would call for more stringent verification measures if there were any doubts as to the respect of the treaty.

Seismology studies the vibrations experienced by the earth's crust as a result of the quakes, both perceptible and imperceptible, which are felt in a great many parts of the world. When a seismic phenomenon occurs, shock waves spread through the ground. These seismic waves can be detected and analysed by apparatus up to 10,000 kilometres from the place of origin. Any earthquake produces two types of wave: body waves, which spread quickly through the earth's mantle, and surface waves, which move more slowly in the earth's crust. By comparing the readings for each group of waves and the differences between their times of arrival, seismologists can often determine very accurately where the phenomenon occurred and whether it is an earthquake or an explosion.

Mr. Speaker, advanced research is going on in the world now to determine the effectiveness of an international seismic detection system that could verify a comprehensive nuclear test ban treaty. In keeping with our long-standing desire to conclude a comprehensive nuclear test ban treaty, Canada is playing a major role in this research. Canada's international efforts to establish the reliability of seismic techniques for possible verification of a future comprehensive nuclear test ban treaty have been led by the Verification and Research Section of the Departments of External Affairs and Internation-

al Trade and by the Geophysics Branch of the Department of Energy, Mines and Resources.

The most important international forum for discussing seismic verification techniques is the scientific experts' group established in Geneva in 1976 at the Disarmament Committee Conference. The group's mandate is to define the technical specifications of a future international seismic data exchange system, to establish the facts and to provide analysis of data exchange methods. Mr. Speaker, the purpose of the scientific experts' group is not to design or develop an international system for enforcing a comprehensive nuclear (test) ban but rather to discuss the various aspects of such a system and to test its components. Canada has supported the scientific experts' group from the beginning.

Among the various initiatives taken by the scientific experts' group to date, the international seismic data exchange experiment in 1984 was the most important. The purpose of this experiment was to assess the effectiveness of the present world data exchange system when many countries simultaneously provide large amounts of data and to identify the parts of the system that need to be improved. Rapid international data exchange will be a key element of the effective enforcement of a comprehensive nuclear test ban treaty, if one is ever concluded.

Furthermore, seismic stations, even the remotest ones, must be able to communicate rapidly with each other for the purpose of collecting and analyzing information.

Canada's contribution to the experiment amply demonstrated the importance of our seismic stations. In fact, among the 70 stations throughout the world that took part in this experimental exchange of information, the three Canadian stations provided about 15 per cent of all raw data collected during the experiment. Canadian scientists took an active part in the post-test analysis, the results of which show that although during the decade preceding the experiment, substantial progress had been made with computerized transfer and analysis of data, we will need even greater capacity if we are to process efficiently the tremendous amount of information that would be generated by a world seismic monitoring system.

At a workshop organized by the scientific experts group last September and hosted by the Canadian government in Yellowknife, there were discussions about the possibility of conducting a second, similar experiment which, considering the progress made in recent years, would offer more stringent testing of the international seismic data exchange system. The fact that far more detailed data, in the form of waves, will be exchanged by participating stations, is an extremely important factor for the second test. The Yellowknife seismic station, which has just been revamped at a cost of $3.5 million, is one of the most advanced stations in the world and will have a decisive role to play in this new experiment.

Mr. Speaker, the government believes that it is research and preparations as advanced as these that will help it achieve its goal, which is a comprehensive test-ban treaty.

In any case, even if the proposal to amend the partial test-ban treaty, to make it a comprehensive one, may seem attractive because of its simplicity, the present government will continue to support the efforts of the scientific experts group in which Canada plays such an active role.

In concluding, Mr. Speaker, nuclear disarmament will never be truly possible unless we realize that our common security requires verification of all arms control treaties. There are no shortcuts in an enterprise as vital as this one.

[*English*]

Mr. Deputy Speaker: Because of the number of members who wish to speak on this issue, if the House will grant unanimous consent, I would like to recognize the member for Waterloo for three minutes, the member for Eglinton—Lawrence for three minutes and then we will call it three o'clock and go on with the business of the House.

Is that agreeable.

Some hon. members: Agreed.

Mr. Deputy Speaker: I thank the members of the House. The member for Waterloo.

Hon. Walter McLean (Waterloo): Mr. Speaker, I appreciate the opportunity to enter this debate, particularly as chairman of the Canadian group of Parliamentarians

for Global Action who have been introducing this motion for serious discussion in Parliaments around the world. I want also to commend the executive cross-party lines who have been encouraging a discussion within the foreign policy initiatives of the Canadian government on this issue. Let me also thank the hon. member who is the international president for introducing the motion and speaking to it today.

In the two minutes that remain let me suggest to you, Sir, that this motion comes at a time when we have had an historic week in Ottawa. It could not be more appropriate to the changing times. Here we had Minister Shevardnadze before the Standing Committee of External Affairs and International Trade who said specifically that the Soviet Union supports the ending of underground testing. He reaffirmed the Soviet position in support of a total test ban.

• (1500)

Here we have a motion which encourages the Canadian government to give leadership and to find new ways of leadership. The Prime Minister has said the cold war is over, but I believe that the cold war cannot end until we have stopped the international situation where one nation seeks to move ahead of another in modernizing nuclear weapons.

Even after the superpower pledge in 1987 to gradually reduce testing schedules to zero, they have reneged on even this slowest of motions. The suggestion that somehow the comprehensive test ban which we are encouraging our government to support might be a final test does not ring true to Canadians who in recent polls have said by some two-thirds majority they want some leadership in peacemaking. They want to see defence expenditure directed to peacekeeping and peacemaking.

In thanking the member for introducing the discussion, I encourage our government and our officials to renew a determination to stop modernization and to press at the same time as we echo that concern for a comprehensive test ban.

I believe, Mr. Speaker, that we have new common ground. Open Skies is also an opportunity for open communication on these subjects. We are on the verge of a new day, and I trust that Canada can give renewed leadership in this area.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, it is my pleasure to rise on this issue and to show appreciation as well to the member for Notre-Dame-de-Grace for introducing such a motion and to those speakers who have spoken on behalf of this motion. It is certainly most momentous in terms of where this country is going to set a direction for not only its foreign policy, but for a policy that is integral to the way that we see ourselves and in the way that we see Canada's role in the world.

In that context, it is a little disappointing to have had to listen to some of the members opposite address the issue in a way that suggested there was something wrong with the method that was being employed to achieve a most notable and most honourable objective, an objective I might add that this country has supported since 1963. Twenty-five years later, we are on the verge of being able to accomplish a comprehensive test ban and we see that the government is becoming intransigent in the face of an opportunity that shall not and should not be allowed to pass.

I regret that members opposite appear to be favouring a position of waiting and seeing, of waiting and abiding by the decision of the American government and not taking a look at that which is before us right now. We have an opportunity to turn a partial test ban treaty into a comprehensive test ban treaty by simply indicating that we too want to show leadership and we too have learned something from the events of this last week.

I know that it is not yet three o'clock. I will resume my seat and allow the rest of the time for the calling of the vote, if that is appropriate.

[*Translation*]

Mr. Deputy Speaker: The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADIAN CENTRE FOR MANAGEMENT DEVELOPMENT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-34, an act to establish the Canadian Centre for Management Development and to amend certain acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I would like to make a very brief contribution to the debate taking place on this important bill.

As you have heard from the previous speakers from our side, we support this bill fully in its principle on the establishment of the Canadian Centre for Management Development. We believe that the centre is and will be a worth-while venture.

My only reason for rising and saying anything today is to put on the record my objection to the way in which the government has proceeded with the establishment of this centre. It is typical of the arrogance of the government in dealing with Parliament. I have in my hand a copy of the 1989-90 estimates for the Canadian Centre for Management Development.

This centre was established by Order in Council because the government failed to get a bill through Parliament before the last general election. Now we have the spectacle of the government introducing a bill to do what it has already done by Order in Council. It has been funding this organization for over a year. The centre has been operating. I am glad, in a way, that it is operating. Nevertheless, this is a high-handed and arrogant approach to Parliament, to establish a body by Order in Council and then march into this House with the bill and say; "Now we would like you to pass a bill to establish what we have already established".

I want to put on the record my profound objection to this procedure. The hon. member for St. John's East is wagging his finger. He should be wagging it at the Minister of Justice and the other ministers who came up with this bill. I want to state my objection for the record. If it happens again, I will make a longer and more protracted contribution, chastising the ministers for this kind of high-handed approach.

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): I appreciate that, Mr. Speaker. My hon. friend opposite was going out to do me a favour and I did not want anything untoward to happen while he was in the lobby.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to a legislative committee.

Mr. Deputy Speaker: It being 3 p.m., this House stands adjourned until 1 p.m. Monday, pursuant to Standing Order 24(1).

The House adjourned at 3.07 p.m.

HOUSE OF COMMONS

Monday, February 19, 1990

The House met at 1 p.m.

Prayers

[*English*]

PRIVILEGE

OFFICIAL LANGUAGES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last Thursday in the debate on government motion No. 2 on language rights in Canada, I was denied the opportunity to participate. Since I was not recognized, the question was put to the House. Other members missed the opportunity to debate as well. In other words, the debate collapsed.

If you look at *Hansard*, page 8414, you will find the following:

> The Acting Speaker: Is the House ready for the question?
>
> Mr. Caccia: No.
>
> Mr. Speaker: I am sorry but I cannot recognize the hon. member. He is not properly dressed.

As you know, Mr. Speaker, the motion was subsequently carried without further debate.

My question of privilege today is the fact that I was not recognized for such debate. Might I add that my question of privilege is rooted on one basic question: Is our parliamentary institution well served when dress is more important than debate? In other words, is a tie more important than a message?

Mr. Speaker, under your leadership we have made great progress one step at a time. A balance has been struck between the individual rights of members in this Chamber and collective rights of the House so as to make this institution function and carry out the nation's business. We all appreciate that fact.

In the realm of individual rights, women in this Chamber can dress in a variety of ways according to fashion and changing trends. I am glad of that fact and support it. The question now is whether the same flexibility can be extended for men as well. In making the case for modernizing the dress code for male members, may I quote the Deputy Speaker from page 6908 of *Hansard* of December 14, 1989, when he said:

> I think most members are aware of the way members should dress in the House. It is stated quite clearly in Beauchesne's that the dress of members should be conservative, contemporary dress. That is the rule.

He added:

> It does happen, when we have votes, that members may come in at the last second and may not technically fit the criteria set out in Beauchesne's. It is for that reason that in the past we have allowed those members their voting privileges. However, if the time came for the member to speak in the House then the decision of the Chair could be different.

Clearly the Deputy Speaker with his ruling left the door wide open, I submit. You will also find that last Thursday, at page 8399 of *Hansard*, the government house leader stated that debate on government motion No. 2 would continue for several days. Because of his assurance several members of the House, myself included, were taken rather by surprise when no member in the customary round of speakers rose to continue debate following the conclusion of the first round.

• (1310)

Therefore, at the last second I had to rise in order for debate to continue. My situation was therefore comparable to the one the Deputy Speaker described last December. Might I stress, Mr. Speaker, before concluding, that the only rule of the House that refers to members appearance is Standing Order 17. It states:

> Every member desiring to speak is to rise in his or her place, uncovered, and address the Speaker.

I conformed with such rule last Thursday. While it is true Beauschene's is often quoted in the matter of member's dress, I think it is important to remember that Beauchesne is an interpretation of the rules, not the rule itself. The rules of the House are set out in the Standing Orders and I fully complied with Standing Order 17.

To bring this Chamber into the 20th century you may want to address this question today: what is more important, jacket and tie or message and debate? Would you consider therefore, Mr. Speaker, referring this matter to the Standing Committee on Elections, Privileges and Procedure while at the same time providing us with your ruling for our guidance until the committee has reported?

Mr. Speaker: The hon. member has raised a matter which has been raised in this chamber a number of times before. The hon. member is an experienced member and he puts the point with a certain eloquence.

I am of course concerned that the complaint that is brought in front of us is that, because of his dress, the hon. member was not able to enter into a debate which was at that moment about to collapse. It may well be that hon. members will want to change our present practices but I must be cognizant of what they are. In view of the circumstances, I will reserve my ruling and report back to the House and to the hon. member as soon as it is appropriate. I thank the hon. member.

[*Translation*]

Mr. Deputy Speaker: Pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

FEDERAL PENITENTIARIES

LITERACY PROGRAMS

Mr. John Brewin (Victoria) moved:

That, in the opinion of this House, the government should consider the advisability of expanding literacy programs in federal penitentiaries.

He said: Mr. Speaker, I am pleased to rise today to ask the House to endorse the motion I placed on the Order Paper calling on the government to consider the advisability of expanding literacy programs in federal penitentiaries.

This of course is International Literacy Year and I am rising to ask the House to address itself to a particular aspect of the problem of illiteracy in Canada, the quality of our programs in Canada's federal prisons.

We in Parliament have a special responsibility for the level of programming in Canadian prisons. We have no excuses in this House if the job is not properly done. We cannot blame the provinces, school boards, colleges, universities, municipal governments or the general community. We have only ourselves to hold responsible for the fact that our programs are not adequate.

It is important at the outset of Literacy Year that we in this House call on the Correctional Service of Canada, the Solicitor General and the government to address this and that we in this House focus our attention on this particularly sensitive and difficult problem.

Let me say at the outset that I acknowledge the Correctional Service of Canada is working at the problem. It has had in place for some time a literacy initiative program. The issue is whether the program is satisfactory and sufficient to deal with the problem. I hope that members of the government will rise today and tell us in detail and in specific terms that that is exactly what is happening. The information I have indicates that the programs are lacking, and this is expressed in statistics and in human suffering. A survey in 1989 demonstrated that 65 per cent of our prison population is functionally illiterate. This means that 65 per cent of the people in our prisons cannot read simple instructions on a cough syrup bottle, cannot fill out simple forms, cannot understand sections of the Charter of Rights, or pick out correct numbers from a list or page of numbers. In the general population, there are in the area of 22 per cent to 24 per cent who are functionally illiterate. That in itself is a scandal in this country, but 65 per cent of our prison population is currently illiterate and we must do something about it.

The federal government program presently in place is called the Adult Basic Education Program. This program is, to the extent that it is in place, attempting to come to grips with the problem. I want to pay particular tribute to the previous Solicitor General, Mr. Kelleher, who actually convened a national conference in 1987 on offender literacy. Unfortunately, the current administration appears not to be following up on the concern and initiative shown by the previous Solicitor General. I may add that even that Solicitor General neglected to invite

those most directly concerned with the program, the prisoners and ex-prisoners.

In 1989, a special study funded by the Secretary of State was undertaken by the John Howard Society. The researcher involved with the society was Kimberley Pate and her report was filed in August, 1989. This report reviews thoroughly the adequacy of the literacy programs in our prisons and I rely heavily on that for the comments and criticisms that I have.

In addition, as critic for the Solicitor General for the New Democratic Party, I have received probably a thousand letters from prisoners in our institutions. The recurring theme in these letters is the inadequacy of the programs in prisons. I hope this debate will focus some attention on the problem and perhaps start some action on it.

The first problem is that the program is compulsory. Prisoners are forced to take it if, after a test, they are demonstrated to be "functionally illiterate". The compulsory element of the Correctional Service of Canada program was trashed by the conference in 1987, yet it continues to this day. The element of compulsion flies in the face of every pedagogical understanding currently at hand. It simply does not and cannot work. The John Howard Society report of 1989 confirms that.

• (1320)

Let me refer the House to some of the comments made by inmates who were interviewed in that study. One said:

> It is really stupid, you know. They (the CSC policy developers and program ministers) cannot really believe the old saying about how you can take a horse to water and it will finally drink once it gets thirsty. Forcing people who are already embarrassed and have been taught to keep all your weaknesses hidden in places like this, in jail, to then sit in the beginning classes where everyone can see you are dummy—man, that is just plain stupid. The only reason most of us say we want to learn stuff is to play the game and get out. We waste everyone else's time, for them who really want to learn. Know what I mean? Maybe if they stop forcing the issue we might really go on our own.

The second problem is that in developing the program there was no consultation with the users of the program. It is hard to imagine, but it is true. There was no discussion with prisoners or inmates about the nature of the program. There is no ongoing effort to evaluate with them what kind of program should be undertaken.

Third, the program resources have been stolen from other educational programs, contrary to the clear commitment of the Solicitor General at the time the program was instituted. Instead of taking the program from research, travel, consultants, where they said they would, they have taken it from the other educational programs in the institutions.

That reduces those programs to a new level of inadequacy and removes the incentive for proceeding into the higher levels that really count in the final analysis, getting a job once the inmates are out.

Another problem is that the testing on this program is completely inadequate. The test program was developed over 20 years ago in California. It is denounced in every review of the literacy program, and as I understand it, the Correctional Service of Canada has already conceded that the testing program is inadequate. I want to hear today that there in fact has been a change.

Although it is an unwritten rule, there are targets or quotas established for the institutions in order that the Correctional Service of Canada can look good when asked questions in Parliament about this program. There are a number of problems with those targets. First, they are easy to manipulate. Even more important and more significant is that the targets encourage the staff to work with the students who are up to a grade 6 to grade 8 level. That means they are ignoring the students at the lower levels, the students who most require the kind of help that an effective literacy program can be.

Let me refer again to the Pate study, page 16:

> If this is indeed the case then the ironic result of the CSC ABE initiative may be that proportionately less time may now be being devoted to working with this group than was the case prior to Kelleher's program announcement in 1987.

The tutoring, according to the study, is inadequate and is not trusted by the participants.

The program is simply not reaching the targeted prison population. At least half of the prison population who need the program are not taking any program at all, notwithstanding the compulsory nature.

Finally, there is no follow-up. Once the prisoners leave prison no facility is provided through the Correctional Service program in which they can maintain,

increase and improve any progress they have made while they were on the inside.

This is a program that is improperly and inadequately funded, has not been thought through, that is developed without consultation with the people who are taking the program. The tutoring and teaching is below standard. There is no follow-up, and the very foundation of the program undercuts its effectiveness. This is taking place in a section of our population where the pay-offs for an effective literacy program would be most significant.

What do we do about it, Mr. Speaker?

First, there is client involvement. Obviously there has to be some thorough discussion with inmates in developing the program.

Second, we have to end the mandatory requirement.

Third, there should be the provision of financial incentives to take the program.

Fourth, community and volunteer teaching needs to be written into the program so that there is seen within the institution to be some level of independence by the teachers. As well, it can form part of a program of increasing the ability to relate to those who are on the outside and in the general community.

Fifth, we have to improve the peer tutoring that has apparently shown some positive signs. It has also shown some negatives. Those negatives need to be addressed.

Sixth, there has to be an improved information network across Canada to know what is working and what is not working.

Seventh, and perhaps most important, there must be an integration of the literacy programs with other life skills programs in our prisons. It has to be part of a package that will assist those who need the benefits that a good literacy program can bring. It has been said that literacy has a certain political attractiveness. It is easy for a minister to institute such a program in that area.

We need to focus on genuine life skills and the literacy program needs to be seen as part of that. That may also help to undercut some of the stereotypes within the prison that seem to be undercutting the program.

Eight, there must be some effective follow-up with some programs designed for that purpose.

With those remarks, Mr. Speaker, I ask the House to give positive consideration to this motion. I appreciate that under the practice of this House, it is not likely today to come to a vote, but I hope it will have the support of members. I hope the Correctional Service of Canada is listening and that the Solicitor General will give his undertaking to this House that there will be in this literacy year some very specific personal attention from him to this important program in Canada's prisons.

Let me conclude by putting this in the larger context, and if I may be permitted a mild partisan note, to put on record the position of the New Democratic Party at its most recent convention in Winnipeg on the issue of literacy. At that convention the New Democratic Party adopted the following resolution:

> That the New Democratic Party supports the development and implementation of policies to ensure every adult full access to and participation in adult literacy programs which would be developed in co-operation with the provinces, the literacy community and the trade union movement. Such policies would:
>
> 1. include all the necessary types of funding mechanisms at levels adequate to allow adults to exercise their right to participate in free adult basic education;
>
> 2. assume the involvement of large numbers of literacy workers in recognition of the fact that the volunteer sector cannot meet all the needs of illiterate adults;
>
> 3. recognize the need for a range of programming options including community-based programs and on-the-job programs sponsored by trade unions which respond to the needs of individuals and groups;
>
> 4. assume the provision of adequate facilities, relevant learning materials and related services such as child care, transportation and counselling;
>
> 5. be part of a larger policy initiative to attack the economic and social conditions which contribute to the continued existence of adult illiteracy;
>
> 6. direct funding to Indian and Northern Affairs to improve basic education on reserves and ensure access to a grade 12 education on reserves; and
>
> 7. expand literacy programs in federal penitentiaries.

I commend this program and the resolution to the House and I ask for your support.

• (1330)

Mr. Bob Horner (Mississauga West): Mr. Speaker, the motion before us is to consider expanding literacy programs in federal penitentiaries. The federal government and Correctional Service Canada support this motion, as do I. The federal government and the CSC have already taken measures required to deal with the problems posed by illiteracy among inmates in federal penitentiaries.

The dignity of the individual, the rights of all members of society, the potential for personal growth, and the development of human beings are essential considerations in the effort to help offenders to become law-abiding citizens. The CSC initiative is in response to the Throne Speech of October, 1986, in which the federal government committed itself to co-operating with the provinces, the private sector and voluntary organizations in developing ways to allow Canadians to acquire the degree of literacy required to take full advantage of the benefits of an advanced society.

Following a series of visits to several penitentiaries, the then Solicitor General assessed the extent of the problem and decided to tackle the problem head on. The Solicitor General declared that improving basic adult education programs was a priority for Correctional Service Canada. As a result, the CSC launched a three-year program to reduce functional illiteracy among federal inmates by 5 per cent annually between April 1, 1987, and March 31, 1989.

It is important to note that my hon. friend criticized the program because there were quotas imposed. There has to be an objective in place. The CSC used the definition of functional illiteracy adopted by UNESCO, and that is the equivalent of a grade eight education. Because of the various educational systems that exist in Canada, the CSC uses the completion of grade eight in language and mathematics as a standard for purposes of comparison.

According to the mission statement of the CSC, Correctional Service Canada, as part of the criminal justice system contributes to the protection of society by actively encouraging and assisting offenders to become law-abiding citizens while exercising reasonable, safe, secure and humane control.

The CSC knows how illiteracy affects inmates. An inmate who can neither read nor write is ill equipped to face the demands of everyday life or to find a job. Even though it has not yet been possible to establish a direct correlation between illiteracy and recidivism, the correlation between unemployment and a lack of basic education and technical skills cannot be disputed.

According to Statistics Canada unemployment is highest among those with less than a grade eight education. Standardized tests have also shown that the illiteracy rate among inmates is more than twice that of the general Canadian population. When considering the many factors that contribute to crime, we must recognize that illiterate people have fewer options, less choice and greater difficulty in improving their lives than those who can read and write.

In practice only 150 inmates were able to complete grade eight in 1986-87. It was decided at that time that the objective for 1987-88 would be to have five times as many inmates complete the basic adult education program, for a grand total of 750. The objective for 1988-89 would be 1,200 more inmates, and for 1989-90, 1,800 more. The over-all objective of CSC was therefore to have in excess of 4,050 inmates complete at least a grade eight education during this three-year period. I think my hon. friend will have to admit that that is a very worth-while objective.

This ambitious initiative was intended to demonstrate the firm commitment of CSC to combating illiteracy among inmates. It is vital that people understand that the vast majority of inmates incarcerated in our penitentiaries will be released some day. They will be released on parole, under mandatory supervision, or simply because they have completed their sentence. To be a capable member of society they must have an improved education.

The National Parole Board takes the inmate's participation in the basic education program into account before making a decision on parole. My hon. friend talks about incentives. I think that would be incentive enough to get people to take this program. Perhaps more than anything else this makes inmates understand how important the ability to read and write is in being able to function properly in the outside world.

In 1988 the average inmate, or 57 per cent of the prison population, was serving a sentence of less than six years. During the first year of this initiative, that is during the 1987-88 fiscal year, 1,042 inmates or 139 per cent of the objective completed grade eight. In 1988-89,

1,446 more inmates completed grade eight, with the objective being 1,200.

During the first two years of this initiative the CSC has achieved 118 per cent of its objective. The third year appears to have started well since roughly 80 per cent of the over-all objective had been obtained by the end of the second quarter. The CSC certainly hopes to be able to meet its over-all objective.

To achieve this end, the CSC budgeted 100 per cent more in 1987-88 than in 1986-87 for basic adult education, an increase from $2.5 million to $5 million. In 1988-89 the over-all budget for adult basic education was roughly $6.4 million. I should stress that the CSC maintained all the other educational programs it offers to federal inmates including secondary, post-secondary and college education programs. Vocational training also continues to be a crucial component of the program offered since it allows inmates to learn a craft or skill directly.

The service has also established standard mandatory testing to identify functionally illiterate offenders and thus be better able to integrate them into the adult basic education program. Since commencement of the initiative close to 8,000 inmates entering the correctional system have undergone testing. To date, about 65 per cent have scored at lower than the completed grade eight level. The rate of refusal—and I think it is important to say "refusal" because my hon. friend said that this program was mandatory—to undergo testing has decreased from 16 per cent to 8 per cent in two years. The tests used are currently under revision in order to improve further the service's effectiveness at identifying illiterate inmates.

During the course of 1988-89 the correctional service set up a new system to manage data on inmate education, thus enabling the service to monitor the fulfilment of its objectives even more closely. For example, it was noted, with the help of this new system, that the average national success rate in relation to the number of inmates registered dropped from 2.99 in March of 1988 to 2.59 in April of 1989, a significant drop.

This demonstrates better case management and more careful follow-up of students who withdraw or fail. In fact the service has set in motion an entire process aimed at assisting these students with problems and encouraging them to return to the program by modifying for them the traditional approach to teaching. The cost per successful case has decreased from $4,650 in 1987-88 to $4,189 in 1988-89. This accomplishment greatly surpasses the initial objective of $5,000 per case.

Correctional Service Canada now uses innovative teaching methods to help inmates surmount perceptual problems and identified learning disabilities. The service has expanded the adult basic education program and will continue to make improvements to increase participation and effectiveness. Also, inmate involvement in this program must henceforth be taken into account when considering the inmate for certain jobs in the institution. In some cases the inmate's participation is a condition for obtaining special privileges within the institution.

Training sessions on learning disabilities have been offered to teaching staff in order to improve their ability to assist inmates with these problems. All staff have been made aware of the importance of basic education in order that a concerted movement be established throughout the correctional service to combat the problem of illiteracy.

• (1340)

In addition to ensuring that adult basic education programs are accredited, the service has adopted a multitude of techniques and methods aimed at facilitating adult learning. These include small group or individual instruction if necessary, computer assisted teaching, the use of tutors from within the prison population, as well as more effective use of community volunteers. My hon. friend spoke about the use of peers and community volunteers, integration with other life skills programs and follow-up. I want to point out to my hon. friend that these are all things that are being done. In fact training programs have been given to these volunteers in some regions.

Adult basic education does much more than teach people the three *r*'s. It provides offenders with the opportunity to feel better about themselves and experience personal growth, which will assist them when they are released. As with the general public, however, education of offenders does not end with grade eight completion. On the contrary, offenders who successfully complete the adult education program are encouraged to

continue with their studies in secondary, college level and post-secondary education.

To emphasize the importance that education plays in everyone's life, a communications strategy will be developed that explains to all offenders the importance of education to their successful reintegration into society.

Literacy programs already in place in our federal penitentiaries have turned out to be very successful. CSC is working to co-operate with the provinces to maintain course quality and to obtain provincial accreditation. It must be understood that inmate literacy should lead to job training or a pursuit of higher levels of education.

In this regard the CSC also plans, in coming years, to emphasize inmate participation in obtaining a grade ten education while continuing to promote the achievement of grade eight as a priority. In addition, the service will establish a global strategy of surmounting the learning disabilities of inmates.

In conclusion, I therefore believe that the federal government, through the intervention of CSC, is promoting the social reintegration of inmates through adult basic education. The results are a clear indication of the efforts that have been made in this area. I can assure you that the correctional service will continue its work in this regard.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise today to support the motion proposed by my hon. colleague. I would initially like to review the problem of literacy quickly.

Many will recall that literacy has been noted by Southam and a number of other researchers to affect roughly 25 per cent of Canadians. We are told that there are approximately five million functionally illiterate Canadians today. It is important to spend a few seconds on what is meant by functional illiteracy. It means that a person is unable to read, write or compute at a level satisfactory to be able to give all himself or herself to society or to take away from society, from his or her community, as much as he or she would if the literacy rate were higher than it is now.

As I indicated we have roughly five million functionally illiterate people in Canada. They come from a variety of groups. For example, there are older Canadians who are involved in a disproportionate number because they did not have the same kinds of opportunities that we had. They were needed to go to work earlier than we were.

There are also aboriginal people who have not had the same opportunities as other Canadians, and of course that situation is being corrected rather rapidly.

There are new Canadians, some of them already literate in a language other than English or French and some of them who need special assistance in this area.

There are people with learning difficulties and learning handicaps. There are also Canadians who at one time in their lives were functionally literate, but because society has changed so rapidly and there are more demands being made in the field of reading, writing and computing, they are no longer considered functionally literate. However, today we are talking specifically about our inmate population.

I want to say a few words about this particular population. According to certain media reports there are roughly 12,000 people in our federal penitentiaries, and the rates of illiteracy vary according to the source. I have read that it is from 40 per cent up to 75 per cent. I have heard today 65 per cent. In other documentation I have seen 50 per cent. I think we could agree that it is a high rate, higher than the national average, and clearly we need to do something special about it.

I have also been told by these same sources that only 500 people a year were participating in literacy programs a few years ago and perhaps 150 of those 500 had completed the programs. Those numbers have improved during the last few years, but there is still a lot of room to move.

Let me quote from a special report about literacy entitled "Breaking Down Invisible Walls":

> In a society where non-readers are on the fringes, unable to participate fully, literacy training can go a long way in keeping ex-inmates out of prison.

We have to realize that literacy is one thing that can contribute to rehabilitation. It cannot do it all, but clearly it can contribute.

Literacy is not only reading, writing and computing. Those are important by themselves obviously in a society such as ours, one which is changing remarkably quickly and where those demands are in fact increasing on a daily basis, but we are also talking about life skills:

learning how to live out of the penitentiary environment, learning how to live within the whole of society.

We are also talking about restoration of self-respect. Without that restoration of self-respect there can be little gain made in this area. There can be little hope to reintegrate successfully in society. We have to remember as well that literacy for people who are incarcerated is a toe-hold for further education and training. It is absolutely critical to have a certain degree of literacy in order to be able to profit fully from it.

Some will know that the correctional service is organized into seven major categories. I want to quote one section because I think it is particularly relevant. It is the section entitled "Education, Training and Employment of Inmates". It reads as follows:

> To maximize employment, training and educational opportunities for all offenders in preparation for their reintegration into society as productive citizens. This is achieved by increasing the Correctional Service's capacity to provide meaningful work and training opportunities; by increasing, where appropriate, the emphasis on work programs that will generate revenue to help offset the operating cost of their Service; and by effectively supporting the efforts of released inmates to find gainful employment.

We have here one particular sector devoted almost entirely to ensuring that our inmates are given those kinds of opportunities educationally and in related fields to ensuring that they can integrate fully into Canadian society. The emphasis placed on literacy is one of critical importance.

[*Translation*]

I will give a brief summary in French. As I said earlier, there are roughly 12,000 inmates in our federal penitentiaries. A few years ago, only 500 inmates were involved and perhaps 150 actually completed literacy programs. Those figures are much higher today, but we still have a long way to go. We have to realize that literacy is not only reading, writing, and arithmetic. We are also talking about developing self-respect and learning how to live outside the penitentiary.

[*English*]

I believe that we need to do everything as a society to ensure that inmates do not return to prison. Thousands of dollars—there are large figures which indicate in excess of $50,000 per year to keep someone incarcerated—are in fact being spent with increasing frequency. I would suggest that we need to invest in literacy and other related programs.

My colleague has documented rather well some of the inadequacies of the program. Let me briefly repeat those that I support. It is compulsory, and this is causing certain difficulty. Surely there are ways to bring about greater participation rates without mandating it. We need to have programs that are brought forward in consultation with particular individuals involved in a significant kind of way. We need to ensure that the learning materials are the most appropriate. We need to make certain that the test programs are the most adequate possible.

• (1350)

The targets may in fact be inappropriate. We need to review that as well. It is important to recognize that one of the effective ways is through tutoring. We recognize as well that tutoring has not always been as successful as it might have been. Perhaps the greatest inadequacy has been in the follow-up, what happens after the individual leaves the penitentiary.

We must first respond to the criticisms that have been made. We just cannot take them lightly. They are valid criticisms and there are ways of counteracting them.

There are incentives that could be brought forward, monetary and other. We need to explore that and see what might be done in order to get larger participation rates. We need to improve our methods of instruction, and we need to look very closely at tutoring and how it can be improved to make a greater contribution. As I indicated before we definitely need to ensure that the follow-ups are adequate.

[*Translation*]

Mr. Speaker, in concluding, I want to ask the government to ensure that the necessary funding is provided so that our inmates can take full advantage of these literacy and education programs and be intergrated into Canadian society.

[*English*]

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise in support of the motion of the hon. member for Victoria. The Secretary of State has stated that the Government of Canada has two goals for this year, which is International Literacy Year. The first is to prevent

illiteracy; the second is to help those who have fallen through the cracks.

Today I want to talk about one group that has fallen through those cracks, and those are people who are currently residing in federal penitentiaries. In 1981 nearly 40 per cent of inmates of federal penitentiaries had less than a grade nine education, nearly 10 per cent higher than the general population of Canada. Only 2 per cent of those who need to improve their literacy skills are currently enrolled in programs.

We need to reach out to those people and find ways to make them want to enrol in literacy programs. The inmates of our federal penitentiaries should receive no less than what we wish for others in our society, especially where literacy programs are concerned.

There needs to be provision of literacy services which are flexible enough to fit the individual's need. They should also have policies to take into account the diversity of the background of the individual and his or her learning experiences prior to being incarcerated.

However I agree with previous speakers that they must be voluntary programs. No one should be forced to participate in a literacy program because they happen to be behind bars. It must be the individual's choice, but it must be available and not only while the inmate is in prison. If the course is not completed when the inmate leaves prison, he or she must be able to continue it.

The causes of literacy are many, but the majority of learners had negative experience with formal education and require a comfortable learning environment. Literacy programs must be creative, must be interesting, and must meet the needs of those who in fact dropped out of school because the programs failed them.

All human beings, according to the UNESCO international conference on adult education in 1985, have the right to learn and read and write in their native language. It is an objective to which Canada should be aspiring.

In September 1988 the Prime Minister said: "We are placing literacy high on the national agenda. We want one Canada united, prosperous, with equal opportunities for all of our citizens."

Those in federal penitentiaries already have barriers they need to overcome. We must make certain that in this International Literacy Year the lack of literacy skills is not one of these barriers. We must do this because the costs are enormous not only in business terms but in human terms as well and, most important, because of the cost to the functionally illiterate individual in a literate world.

One learner said: "No one knows the anger that people who can't read go through. We're living in a different world."

Hon. David MacDonald (Rosedale): Mr. Speaker, I am delighted to take part in this debate. Clearly members on all sides of the House very much support its intent. As my colleague, the member for Mississauga West mentioned earlier, the federal government, the Correctional Service of Canada and the Solicitor General very much support this motion.

Correctional Service Canada has already taken the necessary measures. The adult basic education program this department offers has been a priority since 1987, and the program has had considerable success. Since this initiative was begun, 3,200 inmates have completed grade eight courses in language and mathematics.

Before making one or two other comments I want to say that I had an opportunity many years ago while working as a chaplain in several prisons to realize the direct relationship between illiteracy and crime. It perhaps is stating something that is obvious to those who have had anything to do with our criminal justice system, but there is a very high correlation between people who have had an inadequate or non-existent education and those who get in trouble with the law. It seems to me to be abundantly obvious. I am sorry it has taken us so long to begin the sensible programs that are very much needed while people are incarcerated to ensure that they have the opportunity to make a different life for themselves when they are finally released.

This year, 1990, has been declared International Literacy Year by the United Nations General Assembly. To celebrate International Literacy Year, Correctional Service Canada will launch a book voyage in conjunction with the project of the International Task Force on Literacy. The idea is to get learners involved in International Literacy Year.

A committee will travel from institution to institution collecting stories, poems and other forms of written expression which adult basic education students have written. Other similar books are being prepared around the world. At the end of the year, a giant book with selections from all those submitted will be translated into other major languages and will be presented by the International Committee of Learners to the Secretary General of the United Nations at a ceremony at the UN headquarters on December 10, this year.

Another way in which Correctional Service Canada will celebrate this year is to co-host an international conference, entitled "Freedom to Read", an international conference on literacy and corrections with the United States Department of the Attorney General. Delegates representing nations from around the world will be invited to participate in the conference scheduled for October 15 to October 17, 1990, providing an opportunity for correctional educational professionals and administrators to share ideas and experience regarding methods, standards and services related to literacy and offenders.

I believe this kind of initiative speaks well not only for the Government of Canada but certainly for this Parliament which has clearly demonstrated in these past few minutes, with the initiative of the member for Victoria, how important it is to get at the underlying causes of criminal activity and continuing criminal activity in Canada. I welcome and support it very much.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the chairman of Noranda and MacMillan Bloedel is quoted as saying that dioxins are an inevitable by-product of the pulp and paper industry and that nothing can be done to prevent such pollution. Fortunately not everyone in the pulp and paper industry shares his opinion.

An Edmonton based company, Millar Western Industries, is planning to build a pollution-free pulp mill in Saskatchewan. Mr. Mac Millar, president of the company, is quoted as saying: "It's the first of its kind in the world, and the first zero-effluent pulp mill in North America". Mr. Millar says it will recycle waste, water and chemicals so as not to discharge pollution material.

Canadians are wondering when MacMillan Bloedel and other pulp and paper companies will follow Millar's lead and become a clean and environmentally responsible industry.

* * *

AGRICULTURE

Mr. Ross Stevenson (Durham): Mr. Speaker, all too frequently we hear opposition members stating that Canadian agriculture cannot compete with producers in the United States. Fortunately the facts indicate differently.

• (1400)

In evaluating our degree of competitiveness it is important to be aware of comments made by representatives of our competitors. Recently, an official of the North Dakota Wheat Growers was speaking about exports and was quoted in an agricultural news-letter as having said: "We are going to have a problem with the Canadians. They are now in the Philippines where they have never been before. Also, they have made inroads into Venezuela".

With markets for grain and grain products expanding and the likelihood of world trade in red meat to double

in the next decade, the question is not: "Can we compete?" The question is: "Will we be ready with the wide range of quality products necessary to exploit the new markets?"

* * *

NUCLEAR WEAPONS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, on April 19, 1983, Vancouver City Council representing the citizens of the city of Vancouver, declared the city to be a nuclear weapons free zone. Despite that fact, the Government of Canada continues to invite nuclear-armed U.S. ships into the harbour of Vancouver.

Recently, a group of courageous Greenpeace protesters were acquitted on mischief charges for having spray painted peace symbols and radio activity warnings on visiting U.S. warships in August of last year.

The learned trial judge, Wallace Craig, said he found it "remarkable that the government sees fit to invite this type of equipment into Vancouver in view of the serious concerns people have about it. It almost invites protest".

In June of last year the Secretary of State for External Affairs said in this House: "When there are nuclear weapons there are going to be accidents".

I call upon the Conservative government to respect the wishes of the people of Vancouver and to refuse to allow any more nuclear weapons equipped ships in our harbour, to take a strong stand for peace and a clean environment.

* * *

[*Translation*]

SCIENTIFIC RESEARCH

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the worst tax fraud of the century was mentioned again in an article in *the Globe and Mail* on February 7, 1990, reminding Canadians that the Liberals made them lose billions of dollars in 1983-84.

Under the Scientific Research Tax Credits Program introduced by Marc Lalonde, in 1983-84, a Mr. Kenneth Ford managed to swindle the government out of several million dollars which he was then able to invest, without penalty, in Costa Rica.

The former Liberal government had calculated that the program would cost the government only $200 million. However, fellow Canadians, if you want to hear the truth again, this program cost us $3.5 billion, of which up to $1.9 billion has disappeared as a result of fraud.

Mr. Speaker, the opposition recently demanded an investigation in connection with a loan of $2 million. Does it now have the guts to demand a royal inquiry into the theft of the century in this country?

* * *

MEMBER FOR CHAMBLY

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, the day after his election victory, the new member for Chambly already reneged on the promise he gave his constituents when he declared he now supported his party's resolution requesting immediate changes in the Meech Lake Accord.

Betrayal and disloyalty to the people of Chambly, those are the words that come to mind when I think of the gentleman who, in the middle of the election campaign, declared that he supported the Meech Lake Accord and, as recently as the evening of his victory, declared that he was leaving for Ottawa with a clear message from the people of Chambly supporting the Meech Lake Accord. And now this about-face!

Considering that during the election campaign, the credibility of the hon. member for Chambly raised serious doubts and that as a result of his recent change of heart, his credibility has plunged even further, I would like to remind him that people who play this kind of game often end up losing their credibility altogether, and that we do not forget easily in Quebec!

* * *

[*English*]

MILITARY EXPOSITION

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the merchants of death who have brought us ARMX in past years are planning another military arms show in Ottawa in May.

This year they will exhibit their wares on private property. These are the folks often financed by federal government grants and subsidies who continue to invent 101 new ways to kill people. Often the weapons they manufacture are sold to countries that abuse human rights.

Is it not about time that the new global realities become recognized by these arms manufacturers? Is it not about time that this government scrap its Defence Industry Productivity Program?

The challenge is for the arms industry to convert to manufacturing goods that will help to preserve our planet and not destroy it, to use advanced technologies to prolong life, not kill it.

The government should boycott this year's ARMX show and should instead immediately advance a strategy that will assist in the conversion of the arms industry from war to peace.

Failure to convert soon will mean that these industries will also go the way of the dinosaur.

* * *

[*Translation*]

TRIBUTE TO GEORGES FOREST

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, as my colleague from Ottawa—Vanier (Mr. Gauthier) told the House on February 15, one of the great defenders of language rights for Franco-Manitobans, Georges Forest, died on February 14 in St. Boniface. The funeral will be held today.

Monique Hébert, a journalist for CKSB in Winnipeg, described Mr. Forest well in her reports. Here is some of what she said.

Mr. Forest aroused much controversy in 1975 when he refused to pay a ticket that was in English only. It was the beginning of a long fight for the recognition of Franco-Manitobans' rights, a battle which is still going on today. Mr. Forest believed that people must be interested in the survival of the language not for purely folkloric reasons but rather for the role it must play in the evolution of so-called French Canadian culture towards the Canadian culture of the future. The role Mr. Forest played in the history of Manitoba will not soon be forgotten. The Franco-Manitoban community has just lost one of its great defenders. What I appreciated the most about him was his dynamism, energy and creativity. He was a good friend and I will miss him greatly.

[*English*]

COPYRIGHT

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I am increasingly disturbed by our predicament as members of parliament and, indeed, that of teachers, business people, owners of VCRs and all persons affected by Canadian law.

Newspapers, publishers, broadcasters and others throughout the country think that they, under copyright legislation, have the right to approve, refuse or charge whatever fee they like for photos, speeches—any material, even material given in a public forum.

Recently, *The Toronto Star* denied me use of a photo of myself, my daughter and my constituents even though I was prepared to pay a reasonable fee.

In addition, having made a deputation at a public hearing of the CRTC, I was told that a private company had the copyright to the transcripts of the public hearing and that I was required to pay whatever fee it wanted for a copy.

Law professor Yves Boucher of the Association of Universities and Colleges of Canada advises me that under this legislation an accused person could prevent evidence he or she has created from being presented in a court of law.

In a free and democratic society there are reasonable limitations to protect our system of justice and our rights to freedom of speech and communication. Members of parliament and members of the public must have the right to access information and communicate.

Who is in charge here, the media and other copyright holders, or Parliament?

* * *

HERITAGE AWARDS

Hon. David MacDonald (Rosedale): Mr. Speaker, since 1978, the Canadian Parks Service Heritage Awards have been presented by the Minister of the Environment to individuals and groups in recognition of their outstanding contribution to the preservation of our heritage. The awards recognize and publicly honour people whose

efforts help Canadians to appreciate, enjoy and protect our heritage.

Today, 10 awards will be presented by the minister to those who have made noteworthy contributions through achievements in policy development, research and education, resources management, public awareness, understanding and appreciation, responsible action and stewardship.

I am pleased to draw to your attention the presence of the recipients in the gallery, Mr. Speaker, and to remind all members here that they are welcome to attend the awards ceremony today at four o'clock in Room 200 of the West Block, at which time the names of the laureates will be announced.

* * *

THE BUDGET

Mr. George Proud (Hillsborough): Mr. Speaker, tomorrow will be another dark day for Canadians when this government announces its new economic forecast.

All of Canada will feel the effects of the new budget, and I would suggest none more so than Atlantic Canadians. This region of Canada has already been devastated as a result of the government's cut-back agenda and tomorrow it is highly likely that Atlantic Canadians will be hammered even further.

The budget of April, 1989, resulted in cuts to Established Programs Financing, that is, transfer payments. In Atlantic Canada these cuts amounted to over $17 million, resulting in reduced funding for medicare, universities and hospitals for the fiscal year 1990-91. To Prince Edward Island, the net loss is some $2 million.

• (1410)

Reductions in transfer payments for health care and post-secondary education squeezes provincial budgets that are already tight.

Given the economic disparity already existing in Atlantic Canada, provinces can ill afford to increase provincial taxes to offset federal cut-backs. Atlantic Canadians need increased economic development policies from this government.

Our region of Canada cannot give any more. We need to hear positive initiatives from this government if that is possible.

S. O. 31

FRIENDS OF MUSEUMS

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, many Canadians mark today as Heritage Day, a day when we take stock of our collective history.

[*Translation*]

More than 2,000 organizations and institutions are now working to preserve Canada's cultural heritage and to help us understand it. About 30,000 volunteers represent our museums to the public, by acting as teachers or guides, by providing or obtaining financial assitance or by offering for the enjoyment and edification of all Canadians valuable objects and works of art that they have collected over many years.

[*English*]

These thousands, each contributing in his or her own way, are known as "friends" of museums. The president of the Canadian Federation of Friends of Museums is Mrs. Carol Sprachman.

Her efforts and those of her organization enrich all our lives, whether it is the activist petitioning city hall to prevent demolition of an interesting old store, a scholar researching collections of sacred works, a committee collecting decorative quilts, painted Easter eggs and household artefacts or the senior executive twisting arms to save a French impressionist painting for a public gallery. Mrs. Sprachman and all who work in support of museums and of heritage organizations are the faithful stewards of our Canadian inheritance.

* * *

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, in spite of having had plant breeders' rights legislation since 1970, U.S. industry has not succeeded in serving the breeding needs of some of its more northern farmers.

According to a study by North Dakota State University, Canadian commercial varieties of wheat, oats, Durum, fall rye, barley and flax tended to outperform most American varieties in trials across this state. It was our specialty crops, lentils and faba beans, which were the big stars, far outranking other U.S. varieties.

Farmers in North Dakota find our publicly-bred varieties more suitable to their climatic and soil conditions than anything developed by U.S. agribusiness.

Bill C-15 introduced by the Tory government and now supported by the Liberals has finished the legislative committee stage. Its passage will mean that Canadian farmers who farm under unique soil and climatic conditions will lose the advantage they now enjoy with public plant breeding and will be forced to depend on the same so-called world scale profit oriented research that has proven so inadequate in the Dakotas.

* * *

ATLANTIC CANADA

Mr. Peter L. McCreath (South Shore): Mr. Speaker, this past week has seen considerable media focus on the plight of the town of Canso.

Government bashing by the CLC, the CBC and the NDP have provided considerable entertainment, but little by way of constructive solutions to the difficulties faced not only in the town of Canso but in places like Port Mouton, Lockeport, Shag Harbour and Woods Harbour.

In 1983, when Atlantic Canada faced its last major crisis in the fishery the Liberal government of the day chose not to face the growing capacity problem if it meant some plants might close. Instead, it threw money at the problem—$138 million to be exact—and bought the people's silence, though not as it turned out the election of 1984.

We need a responsible response to the current crisis. This means proper resource-recovery measures, rationalization where there is over-capacity, development and further value-added processing where there is underutilization and assistance and incentive for economic diversification.

Let's leave the rhetoric to Bob White and Shirley Carr. I look to this government for a responsible program of response measures developed in consultation with those who are affected. I call upon the government to bring forth these measures soon.

HEALTH

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, about a year ago this government commissioned a study to address public concern respecting the foam-coated breast implant called the Meme which was earlier marketed in Canada without the required compliance notice from the Health Protection Branch.

The Réal Laperrière Company of Montreal, which has marketed the device in Canada since 1984, has used the government-funded report as part of its marketing promotion since June 1989.

In June, 1989, Dr. C. Kerrigan reported that the said implant is not unsafe. Yet, public doubt remains.

Apparently, Dr. Kerrigan received a total of $45,000 for her report, but only $15,000 came from the department of health.

Moreover, Dr. Kerrigan's report made apparent use of another report, that of a plastic surgeon who was under contract with the company that produced the implant to begin with.

I urge the minister of health to inquire into and reveal who aided Dr. Kerrigan in the preparation of her report to assure the Canadian public that no one had a prior or a continuing business relationship with the Réal Lapierrière Company of Montreal and to explain where the other $30,000 which helped pay for the Kerrigan report came from.

* * *

GOODS AND SERVICES TAX

Mr. Ken Monteith (Elgin): Mr. Speaker, I would like to bring to the attention of the House the statement made by the President of Ford Canada, Mr. Ken Harrigan, with reference to the automotive industry and the GST.

The statement was published in the St. Thomas *Times Journal* last week and quoted Mr. Harrigan as saying: "What a lot of people have overlooked is that many consumer goods, including cars, will be lower priced under the GST than they are with the existing manufacturers' sales tax. So the GST is not all bad—in fact, in the long run, it will improve Canada's competitiveness in world markets."

I believe this reaffirms the decision of this government to implement the goods and services tax. With an industry that is temporarily suffering, the statement by Mr. Harrigan is encouraging.

Furthermore, despite the condition of the industry Mr. Harrigan goes as far as to forecast recovery for the automotive industry as early as next year, assisted in part by the implementation of the GST.

Despite the doom and gloom predicted by those opposite, it is reassuring to have someone of Mr. Harrigan's stature reaffirm that this government is, indeed, on the right road to economic—

Mr. Speaker: I regret to interrupt the hon. member, but his time has expired.

ORAL QUESTION PERIOD

[*English*]

CANSO, NOVA SCOTIA

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister.

On Saturday, 5,000 people came to Canso, Nova Scotia, to say that this government was doing nothing for Canso and communities like it. Today, a task force from Canso, Nova Scotia is in Ottawa to plead for real help for that community.

A few weeks ago the Prime Minister said that there is no crisis in Atlantic Canada, that there is only a crisis in the Atlantic fishery, as if the two were not really intertwined.

I ask the Deputy Prime Minister this: What real help will the government announce for Canso today? Or is it sticking to its fatuous answer that there is no crisis in Atlantic Canada? The people of Atlantic Canada deserve better than that.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is, of course, a crisis in the fishing industry in Atlantic Canada, as the Prime Minister said in this House some days ago.

The Government of Canada is working with the industry and with communities involved to try to find the best way to respond to that crisis in terms that will provide some kind of durable, long-term solution to that problem, that will not simply involve demonstrations expressing the outrage of the moment, such as was taken advantage of by the New Democratic Party members and their shadow in Canso on the weekend.

There is a task force here. That task force will be meeting with representatives of the Government of Canada.

We are continuing work on the long-term response to serious problems that face the fishery of Atlantic Canada. We intend to follow actions that will lead to a situation where the fishery too is healthy in Atlantic Canada as we have been able to contribute to the health of other sectors of the economy of that important part of the country.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, why does the minister not realize that the 5,000 people who gathered in Canso last Saturday were not simply expressing the outrage of the moment, as he put it, but their deep despair over the lack of action by this government?

The Prime Minister told this House last month, and I quote: "We have and will continue to bring forward the same kinds of generous programs that we brought forward for western farmers." The government still has not done this. I ask the minister again: When is the government going to deliver the same kind of program it brought forward for western farmers for the fishermen of Atlantic Canada?

Is the government going to give the same kind of fatuous answer with respect to outrage that the minister just gave, or is it going to do something meaningful to produce for Atlantic Canada the same kind of program it produced for the farmers of western Canada? If so, why will it not announce that today when the Canso task force is here in Ottawa?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the hon. Leader of the Opposition will know, if he is seriously concerned about this issue, that the result of consultations between the company and the federal and provincial governments is that an arrangement has been reached to provide for the establishment of 300 time-shared jobs in Canso.

Some hon. members: Oh, oh!

Mr. Clark (Yellowhead): We recognize that that is short of what the people of Canso would like to have achieved. We are working seriously on a series of programs designed to deal with long-term problems in the Atlantic fishery, not designed to give answers and to announce policies simply because a concerned group is in the gallery of the House of Commons today.

Surely the Leader of the Opposition understands that these are important problems that have to be considered seriously and that have to take account of the international factors, of manpower programs and other programs that we are putting in place in the Government of Canada. We hope that with the co-operation of people in the industry, communities affected and provincial governments that we will be able to provide some long-term relief to an industry that is now in crisis.

[*Translation*]

Hon. Herb Gray (Windsor West): Mr. Speaker, the minister has shown today that his government deals only in illusions.

Mr. Speaker, I therefore ask the minister: When will the government offer the people of the Atlantic provinces a real program to revive the Atlantic fishing industry, not a retraining program, but a program that will really provide dignity and employment for the people of the Atlantic region? When will the government offer a real recovery program for the people of the Atlantic provinces?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that the hon. Leader of the Opposition knows that there have already been talks between the Government of Canada, the Government of Nova Scotia and the industry concerned. The result was a program that can give 300 jobs to the people of Canso. That is not all that Nova Scotians want and the government is now examining all aspects of the problem to try to find a long-term solution, not like the solutions in the past which overlooked or aggravated the problem.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Deputy Prime Minister.

The more than 5,000 people who gathered in Canso on Saturday condemned this government's cynical rescue plan with National Sea Products, a plan which offers destitution to more than half of the workforce and a grant-pogey cycle for the rest.

The mayor and the members of the Canso Community Survival Task Force have travelled to Ottawa to seek a solution that will save their town. The whole country is watching.

Will the Deputy Prime Minister assure them that they have not travelled here in vain? Will he commit his government today to working out a plan for them that will see their trawler port maintained and a viable fish plant in Canso secure?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we can commit to the task force and the people of Canso is that ministers of the government will meet with them as they have requested and that we will consider seriously the proposals that they put forward. We understand their grave concern at the situation in Canso. We are looking for a response that may solve that problem.

They will be having meetings with at least two of my colleagues tomorrow, and will have the opportunity to put forward proposals that they think may be realistic and may in fact help to resolve the problem.

We will assess those recommendations with the utmost seriousness because we share with the people of Canso a determination to try to find a long-term, durable solution to this difficulty that will allow as much as possible the community and the industries involved in that community to survive and to thrive.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my supplementary question is for the Minister of Fisheries and Oceans.

What the people of Canso want is simple. They want their jobs and dignity.

If National Sea Products will not land a reasonable share of their allocation to their plant in Canso and keep their trawler port open, will the minister exercise his responsibility under the Fisheries Act and reserve an allocation for the community of Canso that will keep that plant and that trawler port open?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as my colleague the Secretary of State for External Affairs has indicated in this House on repeated occasions, we are deeply concerned about the

troubles that people in communities such as Canso are facing. For reasons relating to the lack of abundance of the northern cod resource we have had to reduce the northern cod quota by about 70,000 metric tonnes in the last 12-month period.

It has never been the policy of the government to force fishermen, trawlermen or fishing companies to land catch at specific communities for a number of very good reasons relating to the viability of the fishery and which would ensure that all communities in Atlantic Canada would be faced with misery rather than just those about which we are deeply concerned and which we are trying to help.

We will be happy to listen to the representatives from Canso and hear any good ideas they may wish to propose.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

The acting Prime Minister and the Minister of Fisheries have talked about solutions, but they have known about the problem for a number of years. Solutions should have come forward long before today.

We are here today to join that united voice of those 5,000 supporters of Canso and residents of Canso. Canso has become the symbol for people across this country who are saying that they will not quietly lay down and die; they want this government to do something.

Some hon. members: Hear, hear!

Ms. McLaughlin: I ask the Deputy Prime Minister this: Will he pledge today the programs and the additional funds committed by the Prime Minister which are absolutely necessary to see Canso and other fishing communities remain productive?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I understand that Mr. Bob White was in Canso and had the Leader of the New Democratic Party in tow with him for a public demonstration indicating the attention of the CLC and the New Democratic Party to a problem that has been of deep concern to this government since it arose.

The hon. member will understand that a demonstration is not going to solve this problem and that we have very serious problems in the Atlantic fishery.

It is not simply Canso that is affected. It is Lockeport and a number of other communities in Newfoundland and in Nova Scotia that are very directly affected by this problem. We are seeking to find solutions that will be durable solutions.

Some of these issues, as the hon. leader will learn if she stays longer in her job, require more than a demonstration to resolve them.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is directed to the Minister of Fisheries and Oceans.

If this government and its members cared about the people of Atlantic Canada, if they cared about the community of Canso, they would have been standing at that meeting in Canso telling the people of Canso their solutions.

Some hon. members: Hear, hear!

Ms. McLaughlin: Mr. Speaker, on February 11 a fisheries official indicated that community-based quotas are being considered by the federal government.

Principle three of the 1990 Atlantic Groundfish Management Plan states that allocation of fishery resources will be on the basis of equity, taking into account closeness to the resource, and the relative dependence of coastal communities upon a given resource.

Will the minister listen to the supporters of Canso and the Atlantic communities? Will he commit himself today to bring forward community-based quotas?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the official quoted was responding, I think, at a special seminar organized by the Maritime Fishermen's Union, to a question about community quotas among a variety of options for dealing with this problem.

• (1430)

I believe it was the ADM for the Atlantic region who indicated that if this option were to be considered, a number of factors should be taken into account. He explained why community quotas lead to a less econom-

ic, less competitive fishery and more hardship and suffering for all those who rely on this industry because, in fact, plants are operated at very low levels of their optimal capacity.

We have to look at such proposals in the context of our historical policy which is not to allocate specific quantities of fish to specific communities.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the minister.

It is this government's responsibility to represent the people and not National Sea.

Shameless waste of perfectly edible fish has gone on for years. It is thrown back in the sea. Our resources and our environment must be treated with respect.

Mr. Speaker, this scandalous waste must stop. Can the minister guarantee that starting today every fish caught will be used?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the federal government represents all the people in the Atlantic region and not only those who have interests—

[*English*]

On the question of fish that are wasted at sea, this is a despicable practice. In some cases in the fishery there is an unavoidable by-catch of undersized fish because fish are caught with nets and fish tend to gather up in nets.

Some hon. members: Oh, oh.

Mr. Siddon: I think all members of the House recognize that fact, Mr. Speaker.

We take every measure management-wise to minimize the waste of fish by all sectors of the industry. In regard to the offshore sector, it is recognized that this practice does occur and that is why we have observers on these vessels to minimize and prevent these kinds of wasteful practices.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, the long awaited Harris report on the northern cod stock was delivered to the Minister of Fisheries today. According to the scientific evidence and the testimony given by experienced fishermen before the Harris panel, today the northern cod stock is involved in that very delicate pre-spawning activity that is so vital for the actual spawning itself.

Will the Government of Canada now take the advice of these experienced fishermen and cancel the licences of every foreign trawler licensed by this government inside of our 200-mile zone for 1990, foreign trawlers that outnumber the Canadian offshore fleet two to one, trawlers that are three and four times the size of our Canadian boats?

Can the minister assure us that he will put an end to this foreign disruption of the pre-spawning process of the northern cod stock and cancel every licence?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member knows that when foreign vessels fish inside the 200-mile economic zone, it is because Canada is obliged to make surplus stocks available to the vessels of other countries that belong to the Northwest Atlantic Fisheries Organization outside the 12-mile limit.

Those stocks do not belong to Canada, although we are given first opportunity to use them for the benefit of our fishermen and communities such as Canso. That is why we have made 100,000 tonnes of those surplus stocks available to our own fishermen on a priority basis.

Scientists advise me there is no recorded evidence in the scientific literature or our own research which states that fishing on the spawning grounds does measurable damage to the cod stocks. I have had private confirmation of that from Dr. Harris. We will be doing additional research on this question, but I should point out that where fisheries have been conducted in the North Sea and in Canadian waters in the 1960s, on the spawning stocks, we have seen abundant production from those resources in subsequent years.

So this question can in no way be answered in a simplistic fashion as this member is often wont to do.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, two weeks ago in the House the minister told us that the food of the cod fish that is being given to the foreigners is under-utilized species, that food has nothing to do with the weight of the codfish.

Today he is telling us that according to his advice the disruption of the spawning ground has nothing to do with the spawning process. He must be getting his advice from a ouija board.

How can the government ignore the fact that the deepest nets and the largest nets used in the Atlantic Ocean are the nets of the over 100 foreign trawlers licensed by this government, not the 60 Canadian trawlers in our offshore fleet, and that if the spawning grounds are disrupted, a codfish will not spawn.

How would the minister like it if he had a Soviet trawler barging through his bedroom? Cancel the licences.

Some hon. members: Oh, oh!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member is obviously a great expert on spawning, although I do not know how much he knows about bedrooms.

The hon. member is well known to spawn a great deal of subterfuge in these matters, but I should point out again that foreign vessels fishing for under-utilized or surplus stocks, which Canadian fishermen are not interested in harvesting, do not fish where cod are spawning. That is why their incidental catch of cod is minuscule, small enough to be barely measurable.

Once again the hon. member is floating a red herring in this House.

* * *

THE ENVIRONMENT

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister of the Environment. The minister knows that around 14 million tires are now on fire in my riding, and I, along with close to 1,000 of my neighbours, have been evacuated from our homes.

Unless something is done, experts say that the fire could burn for some time releasing toxins into the air and water. People in my riding want to know what resources this government has available to extinguish the fire and monitor the health and safety effects. When will this government appoint a minister responsible for this?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, although this fire is a provincial responsibility, this government has provided the Ontario government with information to help with the monitoring of the smoke fumes and to assist local firefighting on the Hagersville scene.

I informed the House on Friday morning that we had received a request that same morning from the Ontario government to help in the analysis of air quality. A few hours later that same day, at about 3.30 in the afternoon, the Ontario environment on-scene commander called back to advise that Environment Canada assistance was not immediately required. So we did not dispatch the team and the equipment.

This morning, I phoned Minister Jim Bradley to inquire about this. He told me that we could send our team and equipment. I also extended to him, on behalf of the Government of Canada, an offer of assistance in terms of all the resources we have, such as equipment. The army is standing ready to go there, if necessary, and we are waiting for an indication of any specific requests that Ontario might have.

• (1440)

Mr. Bob Speller (Haldimand—Norfolk): I would say to the minister that he is about a week late in doing this.

Mr. Mazankowski: Didn't you hear the answer?

Mr. Epp: Try Jim Bradley.

Mr. Della Noce: You are not a good member asking a question a week later.

Mr. Speaker: The hon. member will put his question.

Mr. Speller: I will tell the member that I have been on the scene since day one of this disaster. I have been monitoring it from there. Where has the Government of Canada been?

My supplementary question is for the Minister of National Defence, the minister responsible for Emergency Preparedness Canada. He is aware that one of the functions of Emergency Preparedness Canada, and I quote from the act, is: "To monitor any potential, imminent or actual civil emergency and to report to the minister on the emergency and any measures necessary for dealing with that emergency".

I contacted Emergency Preparedness Canada today. They told me that, yes, they were monitoring the situation through the media, and that Emergency Preparedness Canada is not on site.

Is the minister prepared to fulfil his mandate and the government's mandate to get Emergency Preparedness Canada down there to monitor the situation and to

determine what steps, if necessary, the federal government can take in that area.

Hon. Bill McKnight (Minister of National Defence): My colleague, the Minister of the Environment, provided the hon. member with a short lesson in the Constitution of Canada. The Government of Ontario, through Emergency Measures Ontario, must request assistance. We have been standing by waiting for that request.

I would like the hon. member to understand that not only was there some confusion by the Government of Ontario in requesting assistance last Friday and then withdrawing the request, but to this point there has not been a request for assistance from the Government of Ontario, either to Emergency Preparedness Canada or the Department of National Defence. Both of the departments under my responsibility and the full resources of the Government of Canada are available. We wish to help, and when requested we will respond as rapidly and as efficiently as possible.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of the Environment. Over 1,000 people in Hagersville met yesterday to voice their need for answers, their need for urgent action. The water table is being destroyed. We have a situation where cancer causing fumes are going into the air.

Why has it taken until today for that minister to offer the use of the armed forces of this country, despite the fact that minister was asked twice last week to take immediate, urgent, fast action to deal with that situation?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we sympathize with the people of Hagersville, and we understand their concern in the circumstances.

That is why last week, people from my department offered their services to those who are fighting the fire. We provided information, expertise on predicting air currents.

On Friday, when we received a request from the Government of Ontario, we immediately gave an affirmative response and took steps to send staff from my department, including experts and equipment.

However, late Friday afternoon, we heard the request was cancelled. This morning, I wanted to check the situation with the Ontario Minister of the Environment. He told me—and I saw there had been some confusion about the messages sent by the Government of Ontario—that we could now send the team of technicians and the team of experts.

I also said, Mr. Speaker, that the Government of Canada was offering the Government of Ontario all its resources to fight this fire. I added that the Minister of National Defence had authorized me to offer sending in the Canadian military to fight this fir, with all the necessary equipment.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I think it is shameful that this government should attempt to put its responsibilities off on the Province of Ontario. It has responsibilities to this country as a national government. The minister can sit there and laugh but the people in Hagersville are not laughing.

I ask this minister who has ignored these questions so fully up to this point—

Mr. Speaker: It is a serious matter. I would ask the hon. member to put his question.

Mr. Langdon: Where else across this country are there similar dumps? How many hundreds of large dumps of tires like this, that threaten people, exist across this country which this minister has done nothing about?

[*Translation*]

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, I would like to start by answering the first part of the question. This government respects the Constitution and the jurisdictions of the provinces, and we cannot intervene in this case if the province of Ontario does not ask us to do so. We have done everything we could do so far, and we are now waiting for specific requests. We said that we were ready to help. National Defence would like to help. We have the army. We have the equipment. We have what is necessary. We want to go, Mr. Speaker, but we are not going to invade Ontario with Canadian troops.

Second, we have made an inventory of federal dump sites, and we know that as far as federal sites are concerned, there are no dangerous stockpiles. Tomorrow, in Toronto, we will have a meeting of Deputy

Environment Ministers from across Canada, and we will establish a set of conditions for stockpiling this kind of material.

* * *

SCIENTIFIC RESEARCH

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Solicitor General of Canada. Since 1987, *L'Actualité*, *La Presse* and *the Globe & Mail* have reported many times that individuals cheated the Liberal government of $1.9 billion in 1983-84 through scientific research tax credits. My question is: Can the minister tell us today whether the RCMP is now investigating a certain Kenneth Ford of Costa Rica who cheated the Canadian Government of $6 million and whether it is investigating other individuals and/or groups who defrauded the Canadian Government through this tax program the Liberals had in 1983?

Hon. Pierre Blais (Solicitor General of Canada and Minister of State (Agriculture)): Mr. Speaker, this situation does go back several years and we must all deplore it. Obviously, when other departments ask us for RCMP assistance, we provide it. However, in the specific case mentioned by the hon. member, he knows very well that legal proceedings are now under way and that it would be difficult for me to comment in this House, under the circumstances.

* * *

[*English*]

THE ENVIRONMENT

Mr. Rex Crawford (Kent): Mr. Speaker, my question is for the Minister of the Environment. All week Canadians have watched the burning of 15 acres of tires. These 14 million burning tires will produce 42 million litres of toxic oil run-off. What has been collected to date represents only one-half of 1 per cent of the potential oil run-off. If the oil toxins enter the groundwater it will contaminate the drinking water for both people and livestock. This is a major environmental catastrophe.

When will the federal government act and not wait on the province. I have felt for years that this law should be changed.

Mr. Clark (Yellowhead): It's the law. It's your law.

Mr. Crawford: Well then we should change it, sir. Are there any federal plans to aid this area?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, the Minister of Environment does not have the power to change the Constitution of the country. We must respect the Constitution. This is the truth, it must be said.

• (1450)

Although this is a provincial responsibility, we have been very active monitoring the situation, sending people down there, and providing the Ontario Minister of the Environment with information on weather forecasts. We have also said that we would like to be invited to step in with resources, with the army.

On Friday morning we received a request. We immediately took measures to dispatch people and equipment, but a few hours later we received a cancellation of that request. This morning I checked with the minister himself as to why this was happening and he told me that we could send in our specialists. I also added that the Government of Canada would be very happy to be there. I offered him the full assistance of the federal government in terms of equipment, troops, people and everything. We stand ready to help.

Mr. Rex Crawford (Kent): Mr. Speaker, my supplementary question is directed to the same Minister. A renowned chemical engineer at Laval University has called the tire fire a more serious environmental threat than the 1988 PCB warehouse fire in Saint-Basile-le-Grand, Quebec, because of its potential to burn for months.

What are the federal plans to deal with the long-term effects after the fire is over while we have not acted with the province?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, this is a most relevant question. We have not waited for a disaster to act. We have implemented research projects across Canada to develop new recycling processes for used tires. These research projects have resulted in the construction of about six new recycling facilities either being built or in operation.

However, it is not enough. We must do more than that. At the level of the federal and provincial Departments of Environment, there will be a meeting tomorrow of deputy ministers concerning this question. We are

considering new requirements for the proper and safe storage of used tires in Canada.

In this case in Hagersville, the provincial government knew that this was dangerous and it issued instructions to ask the owner to change the storage and distribute the tires into smaller piles. The owner decided to challenge this direction in court and this case is pending now. That is the reason for this huge pile of tires. The hon. member is right, we must make sure it does not happen again in Canada.

* * *

[*Translation*]

HEALTH

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, my question is for the Minister of National Health and Welfare. We learned this morning that the Department of National Health and Welfare waited nine days before notifying the Canadian public that carcinogenic substances had been found in a dozen brands of fruit juice, including *Bright's*, *Martins*, *A&P*, *Dominion*, *IGA*, *Food City*, *Cavalier*, *Timothy's*, *Calbeck's*, *Pantry Shelf*, *Sunshine* and *Libby's Pineapple Juice*.

Canadians of all ages drink these juices. These juices are part of the basic diet of young infants.

Mr. Speaker, why did the minister risk the lives of Canadians by waiting for nine days before notifying consumers?

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, precisely because we care about the health of Canadians, we conducted a serious investigation and waited for the results. The company removed its product and a press release was issued to that effect.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I see several Conservative members smiling, but this is an extremely serious subject and I wonder if they gave this juice to their children.

[*English*]

Does the minister realize, and is he conscious that these reconstituted juices contain 40 times the acceptable level of cancer-causing chemicals?

This morning an article in *The Ottawa Sun* states: "Health and Welfare Canada and Sun D'Or both knew about the contamination when production was halted on February 7 but it was not announced to the public until last February 16".

Furthermore, the Health Protection Branch did not believe that the risk was great enough for a public announcement, said a Health and Welfare spokesman. "We reserve the public announcement for when a situation is life-threatening."

I would like to ask the minister, is this how the ministry addresses food consumption? Is this their response to consumers, senior citizens, young children and babies? Is this a sense of responsibility, waiting nine days, knowing that a product contained cancer-causing agents?

Mr. Speaker: I think the hon. member has put his question.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, again, we are concerned about the quality of life of Canadians and about consumers having a quality product, and that is why we shall continue to monitor the quality of this product. We intend to ensure that existing measures can remedy the situation and that this will never happen again. Before a press release could be issued, a serious study was necessary to prove the product could have serious consequences. The company has acted responsibly, the product has been withdrawn, and we shall continue to monitor the quality of this product very carefully.

* * *

[*English*]

THE ENVIRONMENT

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my question is also for the Minister of the Environment on another issue where he seems to be completely out of touch with his provincial colleagues.

On December 21, Cameco Limited pleaded guilty to two charges under the Atomic Energy Control Act for dumping 440,000 gallons of contaminated mine water into Wollaston Lake. They were given the maximum penalty under that act, $5,000 each, which is half of what you get for smoking on Parliament Hill.

On February 8 the Government of Saskatchewan brought charges for which the maximum fine is $1 million. Now Cameco is challenging the Saskatchewan charges in court saying they do not have jurisdiction over the uranium mining industry.

Will the minister support the charges being brought by the Saskatchewan government, will he bring in his own charges, or will he finally agree to an inquiry to straighten out the mess that the uranium mining industry in this country is in?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member knows that the AECB examined the situation of Cameco. He also knows the AECB laid charges. He also knows that there were fines levied.

In respect to his specific question relating to a challenge in the courts, it is before the courts and that is where it will stay.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, my supplementary is for the Minister of the Environment. The Minister of the Environment has not shown that he even knows that an issue exists at Wollaston Lake. We have not heard at all whether he supports an inquiry into that situation where there are issues pertaining not only to the environment but to benefits to the local community and to the whole future of the uranium mining industry and how it relates to local communities.

Is the minister going to take action? Is he going to take a close look at what is happening, or is he going to be caught out to lunch on a Saskatchewan environment issue again like he was on Rafferty–Alameda?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think the hon. member adds anything to a case which is serious when he gets personal.

Mr. de Jong: Why don't you sit down and let the Minister of the Environment answer. You have a conflict of interest.

Mr. Epp: Simon, get wired, and when you have the answer you can answer it.

Some hon. members: Oh, oh!

Mr. Speaker: Perhaps the hon. minister could answer the question.

Mr. Epp: Mr. Speaker, with respect to the AECB situation and Cameco at Wollaston Lake, I think the hon. member should recognize, as I thought he had earlier in earlier questions and conversations I have had with him, that this falls under the jurisdiction of the AECB for which responsibility is invested in this minister. The Minister of the Environment, his officials and officials of AECB have been in contact on this issue.

The hon. member and all viewers should understand that there is a regulatory process and it was that regulatory process which investigated and laid charges for which fines were paid. If there is a legal challenge in the courts, I think hon. members and you, Mr. Speaker, know that there is a right to follow the judicial course of action. The case is there and I do not think I can make any comments about it.

* * *

• (1500)

ETHIOPIA

Hon. David MacDonald (Rosedale): Mr. Speaker, my question is for the Secretary of State for External Affairs. On Friday of last week I was asking about the worsening crisis situation in Ethiopia. The minister responded by mentioning that at least one ship had been diverted to Port Sudan. The minister will know that last week his colleague, the Minister for External Relations, referred to the threatened famine situation because of the deterioration in Ethiopia to at least two million people.

In view of the fact that the government of Ethiopia had agreed to some safe corridors that could be manned by the churches for the distribution of relief, and those safe corridors are now totally unusable because of increased rebel activity, can the minister assure us of two things? First of all, since we do provide assistance to all sides, that we can use our efforts to try to open up those international relief corridors again. They are essential to saving the lives of at least two million people.

Second, since former Presidents Jimmy Carter and Julius Nyerere have been chairing some peace negotiations, will the minister contact in particular former

President Carter to see if we can have some acceleration of those peace talks? Without peace there can never be a hope of overcoming the famine situation in Ethiopia.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a tragedy that is getting worse for reasons to which the hon. member has referred. We are working with the United Nations, with other countries that are involved and with NGOs to try to open corridors that can stay open to try to bring relief to trapped people. We are also seeking to identify alternative routes. I think the realistic conclusion is that unless there is a ceasefire or some agreements to suspend hostilities, all of this will be in vain. We are nonetheless working vigorously with others who are concerned to try to achieve some means of getting food to entrapped people.

I have signed a letter today to former President Carter offering Canada's full and continuing support and, indeed, suggesting some actions that might be helpful for us to take if the peace negotiation succeeds in the hope that perhaps the prospect of that action may strengthen the hand of former President Carter and President Nyerere.

* * *

GOODS AND SERVICES TAX

Mr. Jack Iyerak Anawak (Nunatsiaq): Mr. Speaker, my question is for the Minister of Finance. I have just returned from Clyde River in my constituency where I bought some groceries. A dozen apples cost over $8, a dozen eggs cost $5, a five-pound bag of potatoes cost over $9 and the average income is $10,000.

The Minister of Finance wants to limit that northern purchasing power by putting a 7 per cent goods and services tax on almost everything my constituents need for good nutritional value. How can the minister—

An hon. member: Not eggs.

Mr. Anawak: The hon. member says "not eggs".

Mr. Speaker: If the hon. member and others would allow the hon. member who has been given the floor the right to ask the question, keeping in mind the time, the minister could respond.

Mr. Anawak: Thank you, Mr. Speaker. I must advise members that when you limit the purchasing power for other goods, people will not be able to buy as many groceries. I should inform the hon. member.

I would like to ask the Minister of Finance to justify his claim that the north will be better off with the goods and services tax. Where are the studies he said in October he had to back up his claim? Will the minister reassure northern parents and families by recognizing the higher cost of living and exempting northerners who are already paying $4.29 for one litre of milk from this unfair tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the hon. member would like to acknowledge to the House that apples, eggs and potatoes are not subject to the GST.

An hon. member: Transportation is.

Mr. Wilson (Etobicoke Centre): The hon. member over here said that transportation is subject to the GST. That is wrong. Any tax on transportation is credited out so that there is no tax on transportation as part of the cost of food.

I think it is very important for the hon. member to understand that. I think that all in this House understand the level of the price of food and other commodities in the north but that looks at only one part of the impact of the GST. The GST is very positive for the industries of the north, particularly the mining and the oil and gas industries. Those industries will receive credits on all the taxes they pay. It will make them more competitive. It will allow for mines that might otherwise be closed to stay open for a longer period of time and that will provide employment. That will provide the wherewithal for northerners to pay for the goods that my colleague has referred to. So I caution him not to be too narrow in his analysis of the impact of the GST.

* * *

POINT OF ORDER

BUDGET STATEMENT OF THE MINISTER OF FINANCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, on a point of order. There have been discussions among the parties and I seek your indulgence to put the following motion, which I hope will be adopted without debate. Therefore, I move:

> That, notwithstanding any Standing Order or special order of this House, at 4.30 o'clock p.m. on Tuesday, February 20, 1990, the Speaker shall interrupt any proceedings then before the House, and such proceedings shall be deemed forthwith adjourned, and the House shall proceed forthwith to the consideration of Ways and Means

Proceedings No. 13, for the purpose of the budget statement of the Minister of Finance.

That, immediately following such budget statement, the Speaker shall recognize a member of the Official Opposition in debate on Ways and Means Proceedings No. 13; and

That the House shall not adjourn until the adjournment of the debate by the above-cited member of the Official Opposition on Ways and Means Proceedings No. 13, following which the Speaker shall adjourn the House until the usual time of meeting the next sitting day.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, just to seek clarification, is the hon. House Leader for the Government seeking unanimous consent at this time to present this motion?

As members are well aware, we have been very concerned about what is happening in the finance committee regarding the goods and services tax and the fact that the government is not even entertaining a motion to travel. At this time I am afraid I have to say to my hon. friend, the House Leader for the government that I am unable to give unanimous consent.

Mr. Langdon: Mr. Speaker, on a point of order. I understand there have been some discussions among the parties. I presented you with a letter to give notice that I wish to raise—

Mr. Speaker: Perhaps I can save the hon. member some time. The hon. member is absolutely correct. He has filed an application, as he is explaining, for an emergency debate. I think under the circumstances the Speaker is required to proceed with Routine Proceedings.

It may well be that I will have a chance in a few minutes to hear the hon. member further.

ROUTINE PROCEEDINGS

[*English*]

GOODS AND SERVICES TAX ACT

TABLING OF EXPLANATORY NOTES

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour today to table, in both official languages, the explanatory notes to Bill C-62, the goods and services tax act.

Routine Proceedings

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to 18 petitions.

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

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ORDER IN COUNCIL

TABLING AND REFERENCE OF APPOINTMENTS

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government pursuant to the provisions of Standing Order 110(1).

These are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

• (1510)

NATIONAL HERITAGE DAY

MEASURE TO ENACT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved for leave to introduce Bill C-288, an act respecting National Heritage Day.

Mr. Speaker: Shall the hon. member have leave to introduce the said bill?

Some hon. members: Agreed.

Mr. Gardiner: Mr. Speaker, I rise today on this third Monday of February, which is National Heritage Day in this country today, to present a private members, bill which would, if passed, have the support of our colleagues in the Liberal party and the governing party to pass this bill which would make the third Monday of every February National Heritage Day.

This day, known to members in our caucus as Stanley Knowles day, is known by many others as a day to develop and encourage the cultural heritage of this country. While we are a young country, it is important

that we start early in understanding what makes up our country.

I hope in the debate we will have the support of all parties and have this bill passed.

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

* * *

COMMITTEES OF THE HOUSE

FINANCE—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Lorne Nystrom (Yorkton—Melville) moved that the first report of the Standing Committee on Finance presented to the House on Thursday, June 22, 1989, be concurred in.

He said: Mr. Speaker, I want to spend a few moments this afternoon moving concurrence in the finance committee report. You will recall that last June 19 the finance committee issued a unanimous report chastising the Governor of the Bank of Canada for its high interest rate policy and for its tight money policy. The bank rate at that time was lower than the rate today.

I say that the time has surely come when this House must speak in a firm, solid and unified way by saying enough is enough. Interest rates in this country are now much too high. Interest rates are hurting the ordinary Canadian citizen and it is about time we brought them down and brought them down now.

I appeal to the government back-benchers. I appeal to the government ministers across the way that they take the lead from the finance committee and say to the Minister of Finance, with a budget coming down tomorrow, that the bank rate in this country is much too high and it is hurting ordinary Canadian citizens.

In the last three weeks we have seen a jump in the bank rate in this country of one full per centage point. I suggest that the interest rates in this country now are out of control. The Bank of Canada has lost any meaningful control it had on monetary policy in the country. Instead, monetary policy is now being controlled by the international investors and exchange markets around the world.

Going back a few weeks to January 18, the Bank of Canada dropped the interest rate by 29 basis points. It went down to 12.14 per cent. A lot of people were optimistic, saying that the bank rate in this country would be going down. Perhaps it was a signal of positive things to come in the economy and perhaps we were getting back to a more sane monetary policy once again.

That optimism was short-lived. One week later on January 25, the bank rate jumped by some 15 basis points. Another week later on February 1, it took another jump of 30 basis points to 12.59 per cent. On February 8, it jumped again to 12.79, an increase of some 20 basis points. Then last week, in a skyrocketing of the bank rate, it went up by 53 basis points, a full one half per cent.

I think that is shameful coming from a government that pretends to be responsible when it comes to the economic and monetary affairs of Canada. Now the bank rate is sitting at 13.32 per cent, the highest level it has been since the early 1980s when this country was in the depth of a great recession that was, in many ways, a depression to many parts of the country and many, many Canadians.

I appeal to the government and to colleagues across the way to concur in the finance committee report that calls upon the Governor of the Bank of Canada to stop intervening in the market-place to push up the bank rate and, indeed, do whatever he can to bring down bank rates immediately so it helps each and every Canadian from coast to coast.

I wonder if the Minister of Finance realizes what high interest rates are doing to ordinary Canadians. I ask the Minister of Finance: When is enough going to be enough? How much higher do those interest rates have to go in terms of the farmers, fishermen, homeowners and small business people before he is finally going to come to his senses and bring down interest rates?

I remember the budget almost a year ago on April 26 when the minister stood in his place and predicted that by 1990 the bank rate would be 10 per cent. Mr. Speaker, do you believe that? He was predicting a 10 per cent bank rate last year for the spring of 1990. Instead of 10 per cent, it is over 13 per cent.

What does it mean to the ordinary citizen? I will give a couple of examples. If a person has an $80,000 mortgage and the mortgage rates go up by 3 per cent, 3 per cent on $80,000 is $2,400 a year or $200 a month for a person with

an $80,000 mortgage. A high interest rate policy to ordinary Canadians is a tax increase. It is a tax increase for ordinary people who have to renew their mortgages.

Just today I talked to a couple of people who have to renew their mortgages in the next few months. An $80,000 mortgage with a 3 per cent increase will mean an extra $200 a month for someone in that position, or $2,400 a year or almost $10,000 over four years, if they sign a four year term. I say that is shameful. I say that enough is enough. It is about time the government came to its senses and rolled back interest rates in this country.

An hon. member: Right on.

An hon. member: Hear, hear!

Mr. Nystrom: I wonder why government back-benchers across the way are quiet and why they are not getting up and saying to the Minister of Finance in Question Period, in statements and speeches in this House that they were elected to run a fiscally responsible government back in 1984.

[*Translation*]

Mr. Speaker, I wonder how the hon. member for Abitibi (Mr. Saint-Julien) can sit calmly on the government backbenches and watch the Minister of Finance who, just like Mr. MacEachen, is stuck with his policy of interest rates that are too high. Why does he keep silent? Why does he let himself be manipulated by the Minister of Finance and Mr. John Crow, the Governor of the Bank of Canada? Why is he keeping quiet?

Mr. Speaker, it is time to act, and enough is enough! It is time to act now!

• (1520)

Interest rates are at about the same level now—

Mr. Saint-Julien: You never came to Abitibi! We never saw you in Abitibi!

Mr. Nystrom: Mr. Speaker, I have not been to Abitibi, but I have travelled a great deal in the province of Quebec. I know that Quebecers are hit just as hard by interest rates as people in western Canada, and I am sure that his constituents will agree.

Mr. Speaker, why do we have these sheep on the government side, from the province of Quebec, from Alberta, from all over Canada, who support and who are afraid to say anything in public against this government's monetary policy, and the monetary policy of John Crow, Governor of the Bank of Canada, although that policy is hitting average Canadians very hard?

Take, for instance, a farmer in Quebec or a producer in my own province, in Saskatchewan, who are now facing a bank rate of 13.32 per cent! Mr. Speaker, it is going to be very hard for farmers in my area and yours.

Mr. Speaker, this is the Parliament of Canada. Why are Conservative members keeping quiet? Why are they afraid to speak publicly, openly and strongly against this monetary policy that is dangerous to the country and dangerous for Canadian voters? Why, Mr. Speaker?

I hope that in a few minutes, the hon. member for Abitibi and perhaps others with him, will speak to this matter. I hope the answer is yes, Mr. Speaker.

[*English*]

It affects ordinary Canadians in a very negative way. Someone might buy a car and borrow about $12,000. When the bank rate goes up by 3 points, the cost of borrowing that money goes up by 3 per cent. That is an extra $360 a year or $30 a month. I think of farmers in Saskatchewan or anywhere else in the country as Farm Credit Corporation loan rates will surely be going up very shortly or other money they must borrow to keep their farm operations going. Once again, where is the Conservative party when it comes to farmers in terms of protecting them from the vagaries of the international market-place?

I cannot understand why the Minister of Finance is sitting by idly, watching the interest rates go up and up to a level where they are now 5 per cent higher in our country than they are in the United States. Their inflation rate is around the same level as ours. In fact, there are seven or eight industrialized countries that have an inflation rate as high or higher than ours and have a bank rate that is lower than ours. Explain to me why our inflation rate can be about the same level as the American inflation rate and yet our bank rate now is over 500 basis points, or 5 per cent, higher than the bank rate in the United States. I believe the historical high was about 6 per cent in terms of the GATT. We are almost at that historical high today.

We have a government elected back in 1984 that criticized the previous government for high interest rate policies and yet we have history repeating itself with Mr. Wilson compared to Mr. MacEachen back in early 1981. I say that is not good enough from the Government of Canada.

What does he do to the country? A high interest rate policy in this country will drive the country into a recession. Already we have friends of the government such as Mr. Peters from the Toronto-Dominion Bank, for example, saying that the possibility of a recession is very great. The Canadian Manufacturers' Association's chief economist said last Thursday that the possibility of a recession now is very real. These are friends of the government. They are all warning the Minister of Finance and the government that the chance of a recession in this country is very real and that if we do not change monetary policy then it becomes even more likely that we will have a recession in 1990.

What does it do to debt? I remember over the years the Conservative party used to say: "Look, elect us and we will bring down the deficit. Elect us and we will bring down the debt in this country because the deficit and the debt are too high." Yet, what has happened since 1984? Exactly the opposite has happened. Back in 1984 the national debt was $170 billion. Now in 1990, we will see in the budget papers tomorrow night that the national debt is around $354 billion. In five and a half short years the Conservative Party of Canada has more than doubled the national debt of Canada. With one Minister of Finance, it has run up the national debt by some $180 billion extra. In the first 117 years of Confederation our national debt was $170 billion and in five and a half short years an extra $180 billion has been added so that the national debt is now about $350 billion.

An hon. member: Oh, oh!

Mr. Nystrom: Across the way, one of the ministers is saying it is all in interest. That is what this debate is about, that interest rates are too high, that the cost of servicing the debt is too high and that every time the Bank of Canada increases the bank rate by one per centage point, the government has to spend a few billion dollars paying off the services on the debt of $350 billion. In fact, in the Minister of Finance's budget tomorrow night, we can expect an item of around $40 billion to pay the service charge or interest on the national debt, $40 billion.

The people of Canada now spend more money paying interest on the national debt than they do on old age pensions, family allowances and hospitalization and medical care. Why is the Conservative party doing it? It has done more in five and a half years to increase the national debt than all the other governments before them in the past 117 years.

Those are the facts and there is no denying those facts. They will be stated very clearly in the budget that comes down tomorrow.

Some hon. members: Oh, oh!

Mr. Nystrom: They are laughing across the way but in 117 years of history the national debt was about $170 billion. In the last five and a half years it went up by about $180 billion. That means that it costs about 30 cents on the dollar when someone is paying taxes to pay off the interest of the national debt.

We care about the deficit, Mr. Speaker. What we are saying today to the government is that if it cares about the deficit it will concur in the finance committee's report and ask John Crow to do what he can to bring down interest rates in Canada.

If the minister across the way from Toronto cares about the deficit, he would be up on his feet saying the same thing that I am saying, that the interest rates in the country are too high and let us bring down the bank rate so we can bring down the debt service charges to the Government of Canada and to the provincial and municipal governments.

Mr. Andre: You want us to spend more and more.

[*Translation*]

An hon. member: What is the inflation rate?

Mr. Nystrom: Mr. Speaker, the minister is talking about the rate of inflation. This year, inflation is now at 5.5 per cent, more or less the same level as in the United States. There is a 5 per cent spread between our bank rate and the U.S. bank rate, however, although we have the same rate of inflation. How come, Mr. Speaker? We have practically the same rate of inflation, but the spread between our bank rate and that in the United States is 5 per cent. The problem is not inflation, because the rate in Canada is about the same as the inflation rate in other industrialized countries. The problem is the bank rate.

[*English*]

I do not believe that the government really knows or understands that a high interest rate policy is going to throw people out of work. It increases the cost of housing. In fact, I have a clipping here from Ottawa's *The Sun* quoting the former president of the Canadian Homebuilders' Association, Mr. Tom Cochren as saying: "Each 1 per cent rise in interest rates knocks 100,000 potential first-time home buyers off the market".

Every time the bank rate goes up by 1 per cent and mortgage rates follow by going up 1 per cent, about 100,000 potential first-time home buyers are knocked out of the market.

• (1530)

How many will be thrown out of work if 100,000 people who were going to buy homes are no longer in a position to afford to buy them?

Construction workers are thrown out of business. We have furniture makers thrown out of business. We have metal workers thrown out of business. We have all kinds of people thrown out of business. Maybe even the odd lawyer here and there is thrown out of business. That is what happens when the economy slows right down. It slows right down to a halt.

What we have is a government induced recession. The Minister of Finance and the Prime Minister have intentionally increased interest rates in this country, have intentionally cut back on corporate taxes and have intentionally cut back on taxes for their wealthy friends because they wanted more investment. The price of desire for more investment now is a high bank rate, high interest rate, higher unemployment, a greater national debt, and a deficit that is basically out of control.

It is time to tell the Minister of Finance and the Governor of the Bank of Canada to let us concur in the report of the finance committee and say the time has come to lower interest rates. Let us do it now. Let us do it in a solid united way.

Mr. Hovdebo: Mr. Speaker, I am very interested in the approach taken here. I know that farmers, house builders, consumers, workers, and even the cost of living all suffer under high interest rates. I just wonder if the member would give us any indication of who really profits from high interest rates. Who are the people or the groups that really profit from high interest rates? If it is not the government, the country, and a very few citizens, who does?

Mr. Nystrom: Mr. Speaker, a few wealthy Canadians with a lot of savings would profit from high interest rates, but the overwhelming majority of the citizens of the country do not. Those who benefit from high interest rates are some of the big financial institutions which can make all kinds of money on foreign exchange markets. Big corporations often do not suffer from high interest rates because they reinvest, retain earnings, or can go offshore and borrow money at a lower rate than can than the ordinary citizen. Only some of the wealthy people in this country can benefit.

The people who do not benefit are the farmers, the ordinary citizens of this country, people trying to build a house, raise a family, or buy a car. Those are the people who suffer because of the high interest rate policy in Canada.

About a week ago the Prime Minister made a prediction that interest rates would be lower by the end of 1990. We should be telling the Prime Minister today, the day before presentation of the budget, to ensure that we take action to bring down interest rates quickly because the only people who benefit from high interest rates are the extremely wealthy: the Conrad Blacks, the Bronfmans and people like them who are friends of the Minister of Finance.

[*Translation*]

Mr. Saint-Julien: Mr. Speaker, I would like to put a question to the hon. member for the NDP. We all know that in 1984, we received a legacy from the Liberal party. The deplorable state of affairs we see today is mainly due to the previous Liberal government's administration. We in the Progressive Conservative party have been in power for five years and have tried all possible means to correct the situation in Canada. I may remind the hon. member that the Minister of Finance has worked very hard to reduce the debt. In 1981-82, under the Hon. Allan MacEachen, the budget deficit accounted for 21.7 per cent of federal expenditures; in 1984-85, under the Hon. Marc Lalonde, the proportion was 35.1 per cent. In

other words, when the Minister of Finance was appointed in 1984, the 1985–86 budget deficit took up 30.9 per cent of federal expenditures, and since then, it has amounted to 26.3, 22.4, 21.6, and 21.3 per cent this year. So much for the budget deficit. That was my first question.

My second question is this: I would like to know what the New Democratic Party did in 1983–84 to stop the hemorrhaging from the $1.9 billion hole in the budget as a result of the scandal, the theft of the century that the Liberals "programmed" for scientific research, a problem you are familiar with. I would like to know your position what the NDP did. Did you ask for a royal inquiry on the theft of the century, on this scandal?

Mr. Nystrom: First of all, Mr. Speaker, to answer the second question, we asked questions in the House. We talked about the situation and we helped the Conservative party beat the Liberal party across Canada.

As for the first question, the hon. member for Abitibi referred to a situation we had five and a half years ago when the Liberal party was in power. For the past five and a half years, his party has formed the government, and it has had a lot of time to do something positive. History repeats itself. We had a Conservative government in the 30s, when we had the Great Depression here in Canada. Five and a half years ago, the national debt was $170 billion, and it has now more than doubled.

I remember clearly when Mr. MacEachen brought down his budget in 1981; his policy was very similar to that followed by the Minister of Finance today. He said we had a problem with inflation, that we had a problem with the deficit, that we had to raise the bank rate, and after he did that, we had a big recession here in Canada. The Conservative Minister of Finance is taking exactly the same position as Mr. MacEachen, eight years later. Exactly the same!

Mr. Speaker, the figures do not lie. Five years ago, the national debt was $170 billion. Today, five and a half years later, the national debt has more than doubled, rising to $350 billion. It took only five and a half years for the Conservative party to add $180 billion to the national debt. It took the governments that preceded this one 117 years to accumulate a national debt of $170 billion. And now we have a Minister of Finance and a Prime Minister who have given us a debt more than twice that in just five and a half years. A record and a disaster! I am sure the hon. member for Abitibi is not proud at all of this record.

Mr. John Manley (Ottawa South): Mr. Speaker, I am very pleased to take part in this debate today on the subject of interest rates here in Canada, especially on the report to the House by the Finance Committee on April 14, 1989.

[*English*]

The important point to make first is that the report we are discussing is not an opposition report. It is not a report of the Liberal Party or the New Democratic Party. It is a report of the finance committee of the House of Commons. Not only that, it is an unanimous report.

With all due respect to some members opposite who have made some very critical remarks about the recommendation that this report be adopted, I suggest to them that what they have first and foremost on their hands is a problem to be resolved within their own caucus. I suggest to them that if they are unwilling to support this recommendation, if the Minister of Finance is content to toss it aside, why do they not remove all their members from the finance committee?

• (1540)

Why not see if they can find within their caucus as honest a man as the current chairman and replace him with somebody who will follow their line on interest rates? This is an all–party, unanimous report of the finance committee of the House of Commons, recommending that monetary policy in Canada be relaxed and that the rate of interest be reduced.

It is very interesting. I was refreshing my memory by looking at the report a few moments ago. It comments in the introduction that at the time of writing the bank rate was nearly 400 basis points above rates prevailing in early 1988 and at its highest level in five years. In the introductory paragraph it also observes: "The surge in interest rates was particularly sharp in the four–month period between end of November 1988 to the end of March, 1989, when rates jumped nearly two full per centage points".

If I am not mistaken we had a general election in this country on November 21, 1988. Does it not strike one as being somewhat odd that starting the end of November 1988, just after the general election, until the end of March, 1989, rates jumped that high, that sharply? I suppose it could be argued that right after the election Canadians went on a spending binge and a credit binge and that all of a sudden the Governor of the Bank of Canada discovered there was rampaging inflation and

that "we had better wrestle it to the ground and we had better do it right now".

It strikes me as being just a little odd that none of this was foreseeable during those weeks of campaigning across the country when the Minister of Finance was happy to tell everyone that things were just great. Then, as soon as the election had been won, interest rates surged upward. That was not the end of the surge. They have continued to surge from 8.63 per cent in January, 1988, to a little over 12.5 per cent when this report of the finance committee was issued. On February 15 they were at 13.32 per cent.

Another aspect that is very concerning to all of us is the difference between the Canadian rate and the U.S. rate. In April when the finance committee issued its report and was concerned we had a spread of 2.75 per cent. It expressed its concern that it was historically very high. As I stand here today, we are looking at a spread of over 5 per cent between Canadian and U.S. rates.

Mr. McDermid: Short term.

Mr. Manley: Over 5 per cent on short-term rates, as the Minister of Privatization is anxious to point out, which of course is where the Canadian government has been borrowing most of its money.

What is the economic policy of the government? That is what my constituents wonder when they call and ask about what is happening. They ask why the government is not doing something about high interest rates. It does affect them. It does affect ordinary Canadians who are buying houses or cars or renewing their mortgages. It does affect Canadians who have farms and those who have small businesses. They are concerned about these rates. They wonder why the government is not doing something about high interest rates.

Imagine the difficulty I have explaining to them that the government does not consider high interest rates to be a problem. The government considers high interest rates to be the medicine to solve the problem. This is very hard to convey to people who are having trouble figuring out how to meet their payments on their houses or how to stay in business.

The economic policy of the government is not to enhance the possibility of Canadians creating wealth and creating jobs. The economic policies of this government are not directed to encourage entrepreneuism or to encourage people to go out and invest and do new things. The policies of this government are not intended to help small business. The policies of this government are not intended to encourage research and development.

This government has two policy objectives in the economic sphere: first, it is fixated on the deficit and thinks it wants to reduce it or says it wants to reduce it. Second, its monetary policy demonstrates that it has a fixation on inflation and it wants to eliminate it.

I do not think anyone would quarrel with the idea that we should have lower deficits. We do not want inflation, but I think it is legitimate to ask whether or not there are some other policy objectives the Government of Canada ought to make priority in dealing with the important economic problems facing us.

Why is it that the government has decided inflation should eliminate concerns about employment from the economic agenda? Why is it that the deficit has taken control of all aspects of government policy? At a time when we need economic growth in Canada, when we need to address the problems that we have in regions like the Atlantic, the prairies, the north, and at times when we have to deal with high unemployment, sometimes we have to readjust the economic priorities as we see them.

We have had some seven years of sustained economic growth which began in 1982. We have a government that was twice elected to reduce the deficit. By the time of the next election, three-quarters of the national debt will have been accumulated by government elected on a mandate of reducing the deficit.

When we look at the financial statements the government will present to us tomorrow, we know roughly what the figures are going to be. We see the problem in the annual deficit is not so much the level of the debt. Although it is huge and it is a problem, the difficulty is in the level of interest rates.

The biggest borrower in Canada, the entity that is absorbing so much of the debt, is the Government of Canada. As we raise these interest rates a point here and a point there, from 8.63 per cent in January, 1988, to more than 13.25 per cent now, we see the deficit gets out of control. Not only that, these monetary policies are going to cause a major recession in Canada with the result being higher unemployment, greater demand on

our social benefits, lower tax revenue, and higher deficits.

Each 1 per cent increase in interest rates increases the annual deficit in Canada by $1.6 billion and therefore adds, year after year as that amount is added to the total debt, to the burden that all Canadians are going to bear in the future.

The result of this monetary policy that is being pursued by the government at the present time is first of all recession. It is higher unemployment. It is a higher deficit, and it is a higher Canadian dollar in terms of international currencies. This in itself has a negative impact on our exporters and makes it more difficult for them to sell into foreign markets.

• (1550)

When we look at the strange coincidence of interest rates rising immediately after the election campaign, we also have to think back to those days of October, 1987, when the government opposite was signing the free trade agreement with the United States. At that time the Canadian dollar was trading at about 76 cents U.S. They entered into an agreement to eliminate tariffs between Canada and the United States. Last spring when the agreement was being implemented, the Canadian dollar was trading about 10 cents higher or at 86 cents. It is now down around 83 cents.

The entire benefit to Canadian exporters of trading into that larger United States market without tariffs was eliminated and frustrated by an exchange rate that had totally eclipsed the value of the tariffs that were being eliminated. What a strange coincidence that these things happened all at the same time.

It has to be of concern to all Canadians that this government seems to continue along with a policy of bankruptcy. Other than its fixation on inflation and deficits, what else is it thinking about? How else is it addressing the problems of inflation? Where is the inflation? Down in Toronto? Is it in the highly charged economy of southern Ontario as the finance committee was told?

Why can this government not get its mind on policy initiatives that would address inflation where it exists, regionally and sectorally? Why is it that in its unwillingness to act it has cast the entire burden of fighting inflation on to the Bank of Canada which has to use the one tool at its disposal, the interest rate policy and the monetary policy, to fight a problem that is at best regional and sectoral? It is a policy of bankruptcy on the part of the government.

Then of course there is the ineptitude that has been demonstrated in recent weeks in the area of monetary policy. First, we had a sudden reduction in interest rates by the Bank of Canada. The bank is known to have many fine technical economists, but their reduction of interest rates was rapidly reversed a week later after the Canadian dollar took a fall.

Where, I ask, was the Bank of Canada when it should have been indicating clearly, signalling to the market that its reduction was intended to be a technical adjustment? Where are the market economists within the bank, the Governor of the Bank of Canada and the Minister of Finance, to calm the concerns of the markets when adjustments occur?

I suggest that whether we agree or disagree with the policy of the Governor of the Bank of Canada, he has until this recent move always demonstrated competence in administering the policy option he had chosen. I think the mistake that was made was very damaging to Canada and to the flexibility of the country in exercising further monetary policy.

That damage was only made worse by the Prime Minister of Canada who was willing to say in an interview that after the federal budget on February 20 interest rates were to come down. Now we really wonder who is making up the monetary policy of Canada. Is it the Governor of the Bank of Canada? Is it the Minister of Finance? Is it the Prime Minister? Do they talk to each other? We know that by statute the Governor and the Minister of Finance have to meet regularly. What about the Prime Minister? When is he to learn that glib promises like that have an effect on our currency?

What does the bank have to do? First, it had to compensate for its own failure to signal to the market what a reduction in rates meant. Then it had to turn around and compensate for the Prime Minister's own incompetence in making a statement in public. The Minister of Finance then had to stand in this House and correct it by covering up for a Prime Minister who should learn how the markets function.

In addition to his ineptitude in making comments on what interest rates are likely to do, one is forced to wonder where the Prime Minister gets the idea that even if the Minister of Finance could reduce the deficit that interest rates would come down. The Governor of the Bank of Canada was asked that specific question when he appeared before the finance committee. He said that there was no guarantee the deficit being reduced would lower interest rates. That has nothing to do with it.

The United Kingdom has a surplus budget and it has interest rates that are higher than those of Canada. The problem is not one of deficits *per se*. The problem is the Tory philosophy: "We don't care about recessions and unemployment. We care only about one thing. Our blinders are fixated and we are going to wrestle inflation to the ground. That is the problem that we want to fight." The fact that that happens to benefit lenders and hurt borrowers is incidental.

The facts speak to themselves. In Canada we are facing a real interest rate significantly higher than those we have known for many years. It is a real rate as opposed to the nominal rate that we must be considering, the difference between that rate and the rate of inflation. We are looking at a spread between Canada and U.S. rates that is driving an artificially high currency exchange rate.

We need a government with some policy initiatives. It has to be willing to take some ideas other than those of the current Minister of Finance which will approach the real and definite problems in Canada.

One suggestion came forward from the House of Commons finance committee. Again I say that it is a committee composed of a majority of members from the other side, chaired by the member for Mississauga South, a man I know all ministers on the opposite side respect and admire greatly. He is one who speaks his mind, yet they sit in intransigence and say that they will not listen. If they tear up this report and are unwilling to apply its simple principles that interest rates need to come down in Canada, let them do what they should and eliminate from that committee all members who signed and agreed to this report and replace them with the kinds of sycophants they need if they want to bring about the policies they seem intent on following.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to congratulate the hon. member for Ottawa South (Mr. Manley) for his comments.

On rereading the first report of the Finance Committee—a unanimous report, as he said, tabled by members on both sides of the House—I wondered whether he could tell us if the government's tight money policy, which has greatly slowed the growth of total demand in our Canadian economy, is not, in his opinion, leading us to a possible recession in the next few weeks or months.

Would he share his opinions on that with the House: Does he agree with me that we are now on a dangerous course and will have a very serious recession in Canada if we continue with this over-all restrictive policy?

• (1600)

Mr. Manley: Mr. Speaker, I agree with the views of the hon. member. The problem of high interest rates is not only related to the demand for credit; we must also ensure that in all regions of Canada, small and medium-sized businesses have enough credit to grow.

[*English*]

In other words, we do not have a highly unified economic situation in Canada. We have five or six major metropolitan areas in very diverse regions of the country facing very different economic circumstances.

We have the problems and concerns of homeowners, not only those attempting to acquire homes but those whose mortgages are due to be renewed. We have the cyclical problems of farmers and businessmen who need to meet the demands for credit that the cycle their farms or businesses go through generates.

The difficulty the Bank of Canada has when it is forced to respond, as the only instrument to fight inflation, is that its monetary policy necessarily applies across Canada. We have one currency and we have one central bank. So the bankruptcy policy that exists in this government that leads the Bank of Canada to use a high interest rate policy thereby restricting the credit available to farmers, to small business, and to people in regions where inflation is not a problem but credit is needed to go through cycles is a crucial one.

By failing to seek out the root causes of inflation and to develop other policies to address those inflationary pressures, and using the blunt instrument of interest rates, the answer to the question put by the hon. member for Ottawa–Vanier is quite clear. We may be in a recession now. Certainly, business confidence is at an all-time low. However, the need to respond to the crisis that is developing is clear and the government has tied its hands and eliminated its ability to respond in any kind of positive and creative way.

Mr. Andre: Mr. Speaker, I will pose one question to the hon. member. I happen to have *The Economist* magazine here. He reminded me of an article in *The Economist* three or four issues ago which looked at expected corporate profits for the leading western industrialized nations and predicted that for 1990 the corporate profits in Canada would rise higher than in any other nation, followed by Australia and so on.

How does he reconcile that prediction by *The Economist*, which I think the hon. member would agree is a reputable magazine as are the economists who put that prediction together, with the statement he just made—which he pulled out of thin air I am sure—that confidence is at an all-time low, if in fact the outside world is looking at Canada and saying that we are going to do better than anybody else in terms of corporate profits? Admittedly, that is only one measure of economic growth, but a significant one, I am sure the member will agree.

Mr. Manley: Mr. Speaker, I must say that I have not seen the edition of *The Economist* to which the minister is referring, but I have seen the report of the Conference Board of Canada on the effects that the implementation of the goods and services tax will have on the Canadian economy.

One of the predictions that the Conference Board made is that corporate profits would rise in 1990–91 by $6 billion a year. I have asked the Minister of Finance this question repeatedly and he has refused to answer. He will not answer frankly to the people of Canada on this point.

The move from the manufacturer's sales tax to the goods and services tax means that the entire consumption tax imposed at the corporate level will be passed on to consumers. That is the design of the goods and services tax. That is why the government likes it. The manufacturers' sales tax is no more passed on to consumers than the corporate income tax.

Mr. Andre: What?

Mr. Manley: It is not passed on any more than the corporate income tax. It may be absorbed in prices, it may also be absorbed in profits.

Mr. Andre: Oh come on.

Mr. Manley: Mr. Speaker, the Tories do not like to hear this. I do not think they understand corporate finance over there. They certainly do not like to tell the people of Canada what it means. The corporate income tax is partly passed on to consumers in prices. It is also absorbed in lower profits. It can also be absorbed in other ways by, for example, lower wages. The manufacturers' sales tax absorbed at the corporate level is no different in its effect than the corporate income tax.

With the goods and services tax the entire tax is absorbed at the consumer level rather than being partly absorbed at the corporate level as is the case with the manufacturers' sales tax. The Minister of Finance, in his speech in introducing Bill C-62 at second reading, said that the manufacturers' sales tax on business inputs amounts to about $9 billion a year. I leave it to the Minister of Finance to stand in this House and deny that that is the case. It is a $9 billion corporate tax reduction and that, Mr. Speaker, is why corporations in Canada are going to be so much more profitable without any increase in economic activity in 1990.

[*Translation*]

Mr. Deputy Speaker: Pursuant to Standing Order 38, I must inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for St. Boniface—Education.

[*English*]

Resuming debate with the hon. Minister for Privatization.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I have listened with great interest to the debate this afternoon, to both my friend from Saskatchewan and my friend from Ottawa South, and I found their comments very interesting and informative.

The first comment I would like to make is on the committee system in the House of Commons. When the Liberals were in power the committees could not undertake any study or project at all unless the government gave its blessing.

When the Prime Minister announced that he wanted to change that to allow the committees to be masters of their own house, if you will, and to operate independently to study those subjects which they felt it necessary to study and to make their report, he said that the government probably would end up doing things that committees did not recommend. He also said at the time, I believe, that governments could end up with egg on their face from time to time.

That is fair ball. That has given the back-benchers in this House who actively participate in committee work an opportunity to participate in many studies and make reports that they heretofore have been unable to make.

Having said that, it is not incumbent upon the government to adhere to every recommendation that does come from committees. There are extenuating circumstances when governments have to make decisions that may not be along the lines of thinking of a parliamentary committee.

• (1610)

Such is the case at the present time with the report from the Standing Committee on Finance. The recommendations to relax the stance on monetary policy is one to which the government feels it cannot adhere at the present time. I want to remind those who were in the House between 1980 and 1984, and those who were not here and may not have experienced what we experienced at that time, that the government of the day ignored the inflationary pressures in this country. The government of the day decided to let inflation run, not pay any attention to it and try to keep interest rates down.

At that time inflation got up around 13 per cent, as I recall. The government then all of a sudden had to lay on the Canadian people some very, very heavy medicine, medicine that was bitter to take because interest rates rose to the 23 per cent range.

I listened to my hon. friends talk about mortgages and so on today. I had whole families come into my constituency office in Brampton, father, mother and children who had just walked away from their houses. They had walked out the doors and turned them over to the mortgage company, lock, stock and barrel.

Mr. Jordan: I know some farmers who are doing that.

Mr. McDermid: Farmers too, absolutely. Absolutely they had to do that.

Mr. Jordan: They are doing it now.

Mr. McDermid: They had to do that because they had to renew mortgages, which had been at 10 or 11 per cent, at 23 per cent and they just could not handle it.

That was all because a government ignored the inflationary pressures of a country. So when people say that inflation and these interest rates do not help the homeowner, the farmer or the small business person, that is not entirely accurate. The worst enemy that we can have in this country is inflation. For the wage earners, for those on fixed incomes and for those in small businesses high inflation is a killer.

We see today that inflationary pressures in this country are still there, there is no question about it. It is not a central Canada phenomenon as my friend from Ottawa South would have people believe. It is not a metro Toronto phenomenon as my friend from Ottawa South would have you believe. If you take a look at the inflation rates in January, you will see that they range from 4.8 per cent in Quebec to a high in Alberta at 6.5 per cent followed by Ontario and then British Columbia.

The inflationary pressures are there right across this country from coast-to coast: PEI at 5.1 per cent; New Brunswick at 5 per cent. The national average is 5.5 per cent. The pressures are still there. We need only take a look at the wage settlements that are being made to see that. We are very, very concerned because wage pressures have risen to worrying levels. Wage settlements are now averaging almost 6 per cent and have risen in most regions of the country. These are all inflationary pressures and when the dollar goes down, for every four cents it drops inflation rises 1 per cent. That is another inflationary pressure because we import 35 per cent of all we consume in this country. When the dollar goes down imports become expensive and the inflation rate goes up.

As one can see, it is a very fine balancing act that the Governor of the Bank of Canada has to do on a weekly basis. We cannot bring down interest rates artificially. If we did, it would do more damage to the economy and we would then have to do what the Liberal government did back in 1980, 1981, and 1982, and pour that heavy

medicine on to slow down inflationary pressures. That is very obvious.

Actually, over the last year or year and a half interest rates have been relatively steady as have mortgage rates. I have followed these very closely over that period of time. However, as was alluded to in both speeches, in the last three or four weeks we have seen tremendous volatility in the market-place. When the Bank of Canada lowered interest rates the dollar dropped rather dramatically and there has been an increase in interest rates over the last three weeks. The market is very volatile causing nervousness in the market-place.

Inflation is increasing in Germany and in Japan at present and both countries have increased their interest rates to dampen inflationary pressures. We are not the only country in the G-7 following this path and keeping a very close eye on things. Among our competitors in the G-7 the average inflation is 3.9 per cent. We are still well above our major competitors in the G-7. We must get a hold on inflation and squeeze it out of the economy at all costs. It is most important. The ultimate objective, I believe, of any monetary policy is to have a stable price level. Only in this way can the value of money be preserved and not destroyed by inflation. I do not think anybody wants to see that. Even my friends in the opposition who tend to criticize understand that inflation is a very, very dangerous thing to have in an economy.

With the strong growth in demand in recent years inflation pressures and the inflation rate in Canada have increased. To remain competitive it is necessary to reduce that rate of inflation. We believe that this is accomplished by slowing the growth of demand in the economy to a rate that is consistent with the economy's capacity to produce goods and services. Canada was going at full tilt. We could not produce the goods and services required and because of that heated up demand prices increased. In the longer run this means constraining the growth in bank loans to a rate that is consistent with the growth of the economy's potential to produce. Despite the widespread view that monetary policy has been tight, bank loan demand has been growing at double digit rates. So it has not entirely slowed down, as some would have us believe.

My friend from Ottawa South says business confidence is at an all time low, but none of the reports show that. They do show a slowing down of the economy. However, the confidence of the business community is still very high in this country. As a matter of fact, records will show that there is going to be record investment this year, both by Canadian companies and by offshore.

I believe that we are on the right track. I do not think any of us like high interest rates. We would all like to see them much lower. We would also like to see inflation lower. That is what we are working on with the Governor of the Bank of Canada. That is the policy of the Government of Canada. We believe that we will be successful in wrestling this problem and getting interest rates and inflation down on a permanent basis. That is the goal of the government, with which I think everyone agrees.

This has been a great debate this afternoon. I have enjoyed it and I appreciate it very much. I think now, however, that we should get on with the business of the day so I move:

That the House do now proceed to Orders of the Day.

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

Some hon. members: Agreed.

Some hon. members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was agreed to on the following division:

(*Division No. 191*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Belsher	Bernier Bertrand
Bird	Blackburn (Jonquière)
Blais	Blenkarn
Bouchard (Roberval)	Bourgault
Boyer	Brightwell
Cadieux	Cardiff
Chadwick	Champagne (Champlain)

Cole	Cooper
Corbeil	Corbett
Côté	Darling
DeBlois	Della Noce
Desjardins	Dobbie
Domm	Dorin
Duplessis	Edwards
Epp	Feltham
Ferland	Fretz
Gérin	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Horner	Horning
Hudon	Hughes
Kempling	Kilgour (Edmonton Southeast)
Landry	Larrivée
Layton	Leblanc (Longueuil)
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
Malone	Marin
Martin (Lincoln)	McCreath
McDermid	McDougall (St. Paul's)
McKnight	Merrithew
Monteith	Moore
Nicholson	O'Kurley
Plamondon	Plourde
Porter	Pronovost
Reid	Reimer
Richardson	Roy-Arcelin
Saint-Julien	Siddon
Sobeski	Soetens
Sparrow	Stevenson
Tétreault	Thorkelson
Tremblay (Rosemont)	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Venne
Vézina	Vincent
Wenman	White
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—102

NAYS

Members

Althouse	Anawak
Arseneault	Assad
Baker	Barrett
Bélair	Bellemare
Benjamin	Berger
Bevilacqua	Black
Blackburn (Brant)	Boudria
Brewin	Catterall
Clancy	Comuzzi
Crawford	de Jong
Dionne	Duhamel
Fontana	Fulton
Funk	Gaffney
Gardiner	Gauthier
Grey (Beaver River)	Harvey (Edmonton East)
Hovdebo	Hunter
Jordan	Kaplan
Kilger (Stormont—Dundas)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
MacLellan	Maheu
Manley	Marleau
McGuire	Mifflin
Milliken	Mills
Mitchell	Murphy
Nault	Nystrom
Pagtakhan	Phinney Pickard
Proud	Prud'homme
Riis	Robichaud
Rocheleau	Rodriguez
Samson	Speller
Stupich	Taylor
Young (Gloucester)	Young (Beaches—Woodbine)—65

• (1700)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

Earlier today the hon. member for Haldimand—Norfolk wrote to you asking for an emergency debate tonight. I wonder if you, Sir, could find out if members of the House would give unanimous consent to revert to applications pursuant to Standing Order 52, allowing you to make a decision on the requests you have received, at least the one from the member for Haldimand—Norfolk.

Mr. Deputy Speaker: I will give the floor to the hon. member for Essex—Windsor on the same point of order. The government house leader will no doubt reply after.

Mr. Langdon: Mr. Speaker, I would like, if I could, to support the point which has been made, but to make as well the point that we earlier today communicated with the Speaker about the seriousness of this problem. We see the importance of an emergency debate. I hope that it would be possible to see unanimous consent on the part of the House to accept the need for such a debate at this stage.

Mr. Lewis: I am pleased on behalf of the government to grant our consent. I can assure the Chair that if Mr. Bradley, the Minister of the Environment for Ontario, were here he would refuse unanimous consent.

Mr. Deputy Speaker: On the matter of unanimous consent, the Chair recognizes the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I heard the intervention by the government house leader, the Minister of Justice. I must say I did not understand the point he was making. I wonder if he could elaborate on his point.

Mr. Deputy Speaker: Is there unanimous consent to allow the two members to move their motions?

Some hon. members: Agreed.

Mr. Deputy Speaker: The first motion received by the Speaker is the motion from the member for Essex—Windsor.

S. O. 52

MOTIONS TO ADJOURN UNDER S. O. 52

HAGERSVILLE FIRE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have communicated with you today to indicate my intention to move under the provisions of Standing Order 52 a motion to adjourn the House for the purpose of discussing a matter of urgent and pressing concern.

I will just note very briefly the key points that we see that justify this as perhaps one of the most legitimate emergency debate requests which has been brought before this House. They are the following:

First, for more than one week 15 million tires have been blazing out of control in the Hagersville area. This fire continues to produce undetermined quantities of highly toxic substances.

We see as well that the implications—

Mr. Deputy Speaker: The member should read the letter that he sent to the Speaker. In no way should there be any attempt to debate the matter while the request is being made.

Mr. Langdon: Thank you, Mr. Speaker. I was attempting to summarize it so that it could be somewhat shorter.

Let me continue with the significance of this matter as an emergency.

My second point is that the failure to quench this fire will result in substantial contamination of the land and water in the region, as well as the spread of airborne contaminants to outlying areas.

The long-term effects on plant and animal life are not yet known. Certainly, there are serious and substantiated concerns for the water table, the source of drinking water for a larger population base.

To date, as I indicated in the letter, the government has not responded—

Mr. Deputy Speaker: The Chair will not entertain comments like that.

I will allow the member to complete his statement. The member is getting into debate, which is not the purpose of his request.

Mr. Langdon: I simply wish to make the point that the reason for an emergency debate includes the need to discuss the degree of response and the rapidity of response which has come from the government with reference to what is clearly an urgent issue.

For this reason I submit that an emergency debate is required to provide adequate discussion of the hazards posed and the options available to government and the public in the face of such an emergency.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I too communicated a letter to you under Standing Order 52. I will be brief.

As you know, I have been an evacuee. I have been out to the site in the last week to look at the situation. I requested this debate because of the seriousness of the situation there.

As you are aware, Mr. Speaker, there is an impending environmental disaster in my riding.

I strongly feel that there is a need for an emergency debate to determine the role of the federal government in this crisis situation. It is important to determine why the federal government has not acted to date, and what it is going to do about this catastrophe.

This calamity has been full of misinformation, created not just by certain media reports. It is now being known as the worst environmental disaster in North America.

The people of Canada need to know the facts. Is Environment Canada able to handle such disasters? Is everything possible being done to protect the people, livestock, and the environment in the Hagersville area due to these tires which are burning out of control?

I feel that it is imperative that Parliament immediately debate this issue and resolve the uncertainty regarding this disaster.

My remarks have set out the contents of the letter I sent to you, Mr. Speaker. I hope you will rule in our favour.

The people of Haldimand—Norfolk and, indeed, the people in all of Canada need to know what this government is prepared to do in this area.

SPEAKER'S RULING

Mr. Deputy Speaker: The Chair received earlier today notices under Standing Order 52, one from the member for Essex—Windsor and shortly thereafter one from the member for Haldimand—Norfolk.

• (1710)

The Chair has considered what is a most important and serious matter which concerns the Chair and, in particular, the Deputy Speaker since in my constituency we have the same type of problem that could occur.

However, after having considered the matter very carefully I do not believe that at this time it meets the requirements of the Standing Order.

I must thank the members for bringing this matter to the attention of the House. Again, as I have stressed, at this time I do not believe it meets the requirements of the Standing Order.

Mr. Riis: Mr. Speaker, I rise on a point of order.

I realize the point that the Chair is making and we certainly accept the point that in your estimation this matter does not qualify for an emergency debate.

However, after hearing the views put forward by my hon. friend I wonder if we could ask for unanimous consent to have a special debate later in the day on this emergency. While it does not meet the specifications of the Standing Order, if the members of the House of Commons unanimously agree that it proceed then perhaps we could do it that way.

Mr. Lewis: Mr. Speaker, I agree with my hon. friend that this is a very important matter. I do not think we should get into a position of, in effect, not directly but indirectly overruling the Chair when the Chair considers the business before the country and before the House.

I think we should save the Liberal party any further embarrassment by not having this debate at this time.

Mr. Gauthier: Mr. Speaker, I want to say this slowly. We are not embarrassed in any way, shape or form.

As a matter of fact we, the Liberals, represent an area which is at this time subject to a catastrophe. We asked for the debate and we would be happy to have it at any time.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Wednesday, February 14, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-52, an act to amend the Income Tax Act and related acts, be read the second time and referred to the Standing Committee on Finance; and the amendment of Mr. Brewin (p. 8329).

Mr. Deputy Speaker: When the House last debated the bill there were four minutes left in the question and comment period on the speech of the hon. member for Kamloops. If there are members who wish to ask the House Leader for the New Democratic Party questions on his speech, they are welcome to do so at this time.

Since there are no questions, the Chair recognizes the hon. member for Esquimalt—Juan de Fuca on debate.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I welcome the opportunity to participate in the debate on this bill.

This bill falls into the same category as other legislation that this government has introduced that is of benefit to the rich with very little concern for middle-income earners or low-income earners.

Mr. Speaker, I want to refer you specifically to the opinion of one of the major newspapers in this country. It is an editorial in response to this bill which I think is appropriate.

I refer to an editorial in *The Toronto Star* of April 16, 1989, relative to the RRSP changes. The title of the editorial is: "RRSP changes benefit the wealthy". It states in part: "The distribution of income in Canada is highly unequal. In 1981 the 20 per cent of Canadian families with the highest incomes ended up with 41.8 per cent of the total income pie. By contrast, the 20 per cent

of families with the lowest incomes got less than 5 per cent".

That puts into perspective what the problem is now and how it has been exacerbated by the Conservative government. The rich are getting richer and the poor are getting poorer and the middle class are paying for both ends of it.

The editorial states: "By and large, the unequal distribution of income is the outcome of the market. But to preserve the advantage of upper-income Canadians in retirement, finance minister Michael Wilson thinks the market needs some help, so Wilson tabled new legislation to increase the allowable tax deduction on registered retirement savings plan to a maximum of $15,500 per year."

I would suggest that 40 per cent or more of the income earners in this country do not even earn $15,500 a year, let alone having the opportunity to eventually put the amount allowed under this bill aside for their retirement.

There are a significant number of single parents struggling to survive on minimum incomes with the absence of day care and other services, and trying to avoid going on welfare. They know very well that at the same time money is being taken out of circulation by way of general revenue to benefit the rich and they, the single parents of this country, have to support not only their children but the rich as well through this kind of legislation and they become cynical about government.

All governments have a mandate to serve the people, but this government thinks it has a mandate to serve the rich and to hell with the rest.

Mr. Boyer: That's nonsense.

Mr. Barrett: My friend says it is nonsense. I have the Tories interfering again when I point out that only 1 per cent of the population of this country can take full advantage of this legislation. The other 99 per cent are told to look in the window and see the Christmas lights and some tinsel.

My friend says it is nonsense. I do not think 99 per cent of the people of this country being shut out is nonsense.

Mr. Boyer: Your analysis is wrong.

Mr. Barrett: When I point out that in the long run wealthy people will be able to put aside $15,000 of their income to escape tax, let us understand what is happening here. Those people who can afford to put aside the $15,500, if they are paying income tax, are in the 50 per cent bracket. If they put aside the $15,000 eventually allowed, $7,500 of what they were putting aside would have gone into general revenue to pay for services and to pay down the debt.

As of 1988 there existed in registered retirement savings plans in this country $71 billion. Only half of that money is in self-directed programs. The other half is in the banks and trust companies of this country, and that money which has been saving the wealthy a tremendous amount of money is then loaned out as mortgages to working, middle-class and lower-income people. Not only are the wealthy getting the benefit of the tax, but they get the benefit of the earnings in the RRSPs that the banks are getting fat on at the expense of the middle and lower income people.

Never was there a system designed to benefit the wealthy as clearly as this one. Thirty-five hundred dollars is the maximum contribution for somebody who is on a wage or a payroll deduction. My good friend says what a crock that is, and I agree with him that it is a crock. Why should the wage earner be confined to $3,500 maximum, but the independent wealthy person allowed ultimately to deduct $15,500? Why indeed, you could ask. It is a crock. The crock is broken by this government along with its broken promises and not providing equality to ordinary people in this country.

If you are in a registered retirement plan and you are on a payroll deduction, that limit is $3,500.

Mr. McDermid: You are allowed up to 18 per cent.

Mr. Barrett: If he wants to change that, get up and make an amendment to this bill. But the fact is while you are working for wages you are confined to a $3,500 deduction. If you are a professional or if you are a super wealthy coupon clipper, you can ultimately deduct $15,500.

Mr. McDermid: They have no pension plan.

Mr. Barrett: My good friend says that they have no pension plan. Let us take his logic further because it is important to debate this.

• (1720)

Let us assume that they have a generous employer who matches the $3,500. Their maximum contribution under a pension plan is $7,000 per year.

Mr. McDermid: You got it wrong.

Mr. Barrett: I have it wrong. Name one employer who puts in more money than the employee does.

My good friend, you can say those things but the Canadian taxpayer is beginning to understand that this government is by the rich, of the rich and for the rich. There is no other piece of legislation that clearly points this out.

The editorial in *The Toronto Star* further states: "Under Wilson's new proposals Ottawa would provide tax assistance to all employed Canadians to create a nest egg that would allow them to maintain their incomes in retirement to a pension limit of $60,000 a year. To do so, he would provide the greatest assistance to those at the upper end of the income scale. Someone earning $20,000 a year would get an annual tax break worth about $1,200 compared to a break of about $7,500 for those who earn more than $86,000 a year."

Think about it. It is the point that I have been making. If you earn more than $86,000 a year you are in the 50 per cent tax bracket. But if you reduce your income by buying $15,500 worth of RRSPs that you will ultimately be able to, you save $7,500 in taxes. You are not just putting in $15,500 in the bank. You are putting $23,000 in the bank because the impact is the $7,500 that you are saving as well.

In a time of high interest rates, who is getting wealthy as a consequence of this type of plan? You lock in your RRSP into which you put $15,000 a year at a minimum of 11 per cent at today's market and you are looking at doubling your money within five years. If you are rich, you are laughing. If you are poor, and have a job that pays you $10, $15 or $20 an hour, you end up subsidizing this because the tax collected off the rich is not there, it is going into the $71 billion that we already have in RRSPs.

Why not use the money in RRSPs? If the government is going to shelter it for the wealthy, why not use it for good social and economic purposes? Why do we not establish municipal bonds that would permit municipalities under the aegis of both the provincial and federal government to loan money out up to a maximum of $50,000 from an RRSP, pay a 5 per cent return for a 10 year guarantee on the use of that bond, and allow the bond holder at the end of his or her RRSP to take it out with 50 per cent value of the capital they put in plus the total amount of tax they earn and use those bonds for municipal renewal right across this country? It could be used for affordable housing, restructuring roads, bridges, sewers, and sidewalks across this country. If we are going to allow the wealthy to have these huge tax benefits, the other side of morality suggests that at least we have a right to put that money to work for social and economic purposes right across this country.

Five years ago, the Canadian Association of Municipalities suggested that at that time there was 15 years work in the renewal of roads, sewers and sidewalks in this country. For rural and small town Canada suffering the ravages of a centralized economy under a mindless, uncaring, unthinking, monetarist, right-wing government, one of the things that could be done is use this RRSP money for social purposes that would be paid back in terms of good structures in already existing towns.

Why should we not make some of this money available for low-cost mortgages? We could loan the money out. Before anybody gets carried away with the idea that this suggestion is too radical, in the United States both the Republican and Democratic administrations have endorsed government secured bonds at 5 per cent for municipal purposes. Even the Reagan administration that succumbed to the myth of monetarist theories never touched what was a democratic administration's proposal for the use of this kind of municipal bond.

What I am suggesting is a special aspect of it that would permit people to make a decision on their own to redirect their RRSP funds. What I am suggesting also would not make the wealthy wealthier in their RRSPs. I am suggesting a $50,000 maximum of purchase in a RRSP fund of those municipal bonds. Not that I approve of these changes, not that I think they should pass the House, but I know that the unthinking majority of the Conservatives who are mindlessly going to pursue this have no sense of the damage that it is doing psychologically and fiscally to the economy with all of that money

sitting there in retirement funds that we have to borrow back at 13 per cent and 14 per cent.

The Minister of Finance asks about our alternatives. We hear that plea all the time. There are two aspects of that plea that I find distasteful. First, the government was not elected to stand up and defend itself by demanding other members tell it what to do. If it is that weak then the best the minister can offer is to resign. If he has no plans of his own and asks the opposition "what are you going to do" then he has given it up. Pack it up, call it quits and leave.

One of the things we can do in this country is to use indigenous funding, our own country's money to supply that part of the capital pool that is necessary for long-term jobs; not welfare and the waste of welfare, not handouts, not megaprojects, but useful long term jobs that keep men and women in their own communities.

When I talk about restructuring our urban communities, I would moderate my criticism of this method of fund-raising if I could see this money being seriously and thoughtfully used for a social and economic purpose.

The government members stand up and lament what is happening in Atlantic Canada. I lament it, too. However, if we were to turn $35 billion of that $71 billion of RRSPs that is non-directed into municipal bonds, there would be $5 billion available tomorrow for Newfoundland and $5 billion available for the other Atlantic provinces. That would create a heck of a lot of jobs in a hurry, with pride, with self-respect, and with decency.

Is there a community in this country that is looking for low-cost bonding to keep their tax base down but cannot find it? There are plenty of them. The impact of high interest rates and lack of indigenous capital in this country is forcing municipalities and school boards to raise taxes right across the board.

The minister wants a way to avoid it. If he is going to benefit the rich by this kind of amendment let him have the moral courage to also direct the money into the economy because the money is there.

How many times do we hear the argument of keeping interest rates high to attract off-shore investment, or we do not have enough indigenous capital of our own? What a falsehood that is, when you examine the fact that the RRSP funds that this bill will allow the rich to benefit even more from are there and could be used, if this government had the will and the wit to do it.

• (1730)

I know that I am speaking to an entranced Chamber and that I have the attention of all the members in the House of Commons. Every one of the cabinet ministers is listening intently and closely to my suggestion about the use of indigenous capital.

Do you think, Mr. Speaker, that the government would say to those people who are allowed to store vast sums of money in protected and sheltered pension funds that it can guarantee 5 per cent, plus half their capital invested when they draw out the plan, if they put the money into municipal bonds? Is there anyone in this chamber who finds ideologically that the use of indigenous capital somehow is a betrayal of Conservative positions, Liberal positions or New Democratic party positions? No one. I will ask any member to say nay to the idea of using indigenous capital at a low cost bonding level, as is done in the United States, to start paying for long-term debt investment on roads, sewers and sidewalks. We can do it as the Americans do it at 5 per cent bonding. Is there anyone over there against it?

Ms. Mitchell: Is there anybody over there?

Mr. Barrett: Is there anybody over there? There are a few there and for those few I have this message: let me point out that this is a great potential vote-getter. This is an idea that transcends all political parties. This is an opportunity for the government to provide indigenous capital at low cost to those municipalities that wish to build homes for the homeless and subsidize low cost mortgage rates. I am not talking about massive public housing that has been socially destructive. I am talking about individual choices for ordinary citizens, particularly single parents who are struggling to meet high rental costs in urban areas right across the country.

Where will the money come from? I repeat, $71 billion exists as of 1986 in RRSPs and half of it is undirected. That half, $35 billion, goes into the private banks. The banks are using that vast pool of wealthy taxpayers' savings for private investment of their own.

The more I repeat this idea, the more converts I get. What will happen sooner or later is that they will start attacking me, but not the idea. I recall that this same

proposal was made for socialized medicine. When my party suggested socialized medicine every single Liberal and Conservative at that time attacked the idea. As more and more people began to understand that the idea made sense, they began to see that they could get elected on the idea so they stole it.

I want to make clear that there are very few members in this Chamber who are able to steal my idea, but those of you who put your mind to it are welcome to the happy theft. Think what we could do with $35 billion at 5 per cent on municipal bonding out of RRSPs in the same way the Americans finance major reconstruction in their country with low-cost, solidly safe, Moody's rated AAA, 5 per cent municipal bonds.

An hon. member: Oh, oh!

Mr. Barrett: I expect the member who wants to interrupt me to be the first on his feet to say: "I think you have a germ of an idea here. We might change it a little bit here, tinker a little bit there, call it a Tory idea and sell it". That is all right with me.

It has been a masterful plan for the Americans and it has made good use of social capital out of those indigenous savings. I do not agree that the wealthy should be given a $15,000 write-off. I do not agree that they should get a $7,500 a year tax saving. I repeat, if they are going to get this kind of benefit then the Canadian people have a right to expect an alternative.

Municipal 5 per cent bonding to provide long-term jobs in Atlantic Canada, on the prairies, and in British Columbia would be a useful device. We do not need outside capital. It is indigenous capital created by wealthy people who get a tax benefit according to the belief of this Tory government that the rich should not suffer because they were born rich and the poor should suffer because they were born poor. One of the ways I suggested to mitigate this makes a bit more sense than just giving massive tax write-offs.

Some people by their abilities, talents and skills are in the professions. They earn a vast amount of money and want a tax shelter. I am not one of them. If they were told they had access to this kind of tax write-off they would reject the idea of directing $50,000 of their RRSP funds into a municipal bond earning 5 per cent.

I would make the formula very clear. They would be allowed to take their $50,000, plus half of that capital, plus all interest earned out of their RRSP after a minimum of 10 years of allowing that money to be used as a municipal bond. The more I explain this to the members over there, the more I get their attention, although for some of the members I have become a substitute for Sominex. For those members all the logic in the world and all the reasonable arguments about social responsibility has no effect whatsoever.

I do not believe the government will move into that municipal bonding. I want to make it perfectly clear that my colleagues do not approve of this idea of further tax shelters for the wealthy. Allow anyone to deduct the amount they are paying into their pension plan, plus a maximum amount open to them in the same way that is available to the wealthy. Why should a woman, or a man, who has a permanent lifetime job be allowed to deduct only $3,500 when they may have put aside another $1,000, $1,500 or 2,000? Out of love for their children and for a secure future, why should they not be allowed to take advantage of this tax dodge as well? Why do the rich get all the benefits? My question is: Why should the rich get all the benefits? Let the middle income earners have some too.

Mr. Boyer: Mr. Speaker, the member of parliament who just spoke wondered if any of us would rise to our feet to pick up the idea that he was preaching here, and I am on my feet for that express purpose.

I heard him mention the example of using these funds for municipal bonds at 5 per cent interest seven times, four of which included references to the way they are doing it in the United States. This was an idea he was preaching and getting converts every time he advocated it. He is a powerful and persuasive speaker.

Mr. Barrett: Thanks very much.

Mr. Boyer: I wish he had been a little more powerful and persuasive recently in Winnipeg because then the message might have gone even further.

The idea of the member advocating the use of funds for municipal projects is borrowed from the United States. That is advocated by a party very concerned that we not imitate anything American, which talks about the evils of adopting anything from south of the border and states that no good could ever come from there, especially in the period after the implementation of the free trade agreement where we were to see all kinds of harmonization and change in Canada making Canada

more like the United States. Has he been so successful in persuading members of his own caucus as he has been in persuading some of us across here about the efficacy of this American idea?

Second, if he has been so successful, could he then go on and give us some examples of how this program is working, not just in redirecting funds in the United States but actually achieving results in municipal restructuring, for example, in cities like New York, Chicago, and other cities that find their municipal infrastructure broken down beyond the point of repair?

• (1740)

Mr. Barrett: I am pleased to have this opportunity, however brief, to disabuse the hon. member of some concepts about my attitudes to the United States and my party's attitude to the United States.

I had the privilege of taking seven years of post-secondary education in the United States. In the last two years I had the privilege of teaching at Harvard University as a socialist. I found that a great experience.

In the United States during the 1936 election campaign when capitalism ran to a dead end and the country went into a massive depression, the idea of a mixed economy was spawned, a mixed economy which by the way both Liberals and Conservatives subscribed to in one way or another in Canada until the free trade agreement. All the Liberal administrations and the administration of the Right Hon. John Diefenbaker adopted the concept of a mixed economy.

It was under either Liberal governments or Conservative governments that Crown corporations had their inspiration and their role, love them or hate them. There was a consensus in this country that the Crown corporation played a part in the economy.

The first lesson we learned in Canada about the role of government intervention in a mixed economy was during the Roosevelt administration which I admired. The Roosevelt administration saved capitalism in the United States by bringing pluralism into the economy. If the Roosevelt administration had not moved to using public sector funding at that time, capitalism and free enterprise would be dead and Canada would have been in another form of authoritarian extreme right or extreme left wing government.

I would advise my friend to counsel himself by reading casual history of the growth of extreme right wing movements in the United States from 1935 to 1939. Some of these movements even sucked in major religious figures such as Father Coughlin and major public heroes as Charles Lindbergh. Many of them moved to what was known as the German *bunde*. They were attracted to the Nazi idea that a single effort economy at the private sector with no public enterprise would be the way to go.

If we examine the Nazi response it was a monetarism of its kind. It went into the private investment sector, into monopoly, Krupp Enterprises and I.G. Farben Enterprises. In both instances it was the private sector that benefited from privately directed public money. I am not espousing that nor do I suggest that my group or I have the Holy Grail on ideas.

It is true that the Roosevelt administration brought in North American economic pluralism. It has been a consensus regardless of what party is in power at any given time to use the public sector for some common good. In the United States they have public highways and public bridges. They even have the state telling one what side of the road to drive on. If that is not interference with private decisions I do not know what is. In the United States the government not only tells one what side of the road to drive on, but it builds automobiles to accompany that legislation.

If one wants to raise a shibboleth of the private sector being free and roaming in the United States, forget it. There has to be some order. There is order on highways and there is order in financing.

The municipal bonding program in the United States has been successful for over 50 years. If my good friend would address himself to Moody's or to Standard and Poor's, he would discover that the highest rating bonds consistently in the United States are the Fannie Maes, the euphemism for the American municipal bond. They range at 5 per cent and 6 per cent. They are not directed out of pension funds. They are shelters of capital that already exist.

What I and my colleagues are suggesting is a new idea. They find it interesting. It is an idea I have put to the Liberals and to you. If we have an indigenous pool of

capital that presently amounts to $71 billion as of 1988, half of which is freely and legally self-directed investments, the other half sits there as revolving deposits in the bank.

What I am suggesting will help capitalism. I confess, if you are madcap to save the wealthy more money, one of the consequences that allows you to sell that madcapness is a moral responsibility to redirect that $35 billion sitting there in the bank. It is not offshore money. It is not debate with the Minister of Finance suggesting that we do not have any money. It is there. I am saying: direct it into the economy for social and economic purposes, rebuild our cities and towns, and maybe the rich can sleep a little more comfortably as they rip off the system.

Mr. Douglas Young (Gloucester): Mr. Speaker, in speaking briefly to this question of reform of the RRSP, I think it is important that we recognize that many people in the country have invested in registered retirement savings plans and are very much aware of the benefits that can accrue to those who can afford them.

We want to go on record this evening as stating unequivocally that there are some problems with the proposal put forward by the government. We recognize that. There are also some points in the legislation that are very beneficial. As is often the case in matters such as these, the avenue that is most appropriate is to allow a committee to review the legislation, to listen to the interested parties that have a good and thorough knowledge of what is proposed, and to make certain that we listen to both the pros and cons.

I have listened with a great deal of interest over some time now to the debate that has taken place with respect to the government's proposed legislation. What strikes me is that although there has been a great deal of rhetoric from my friends to the left about RRSPs, they do not seem to grasp that for most Canadians the notion of being able to provide for their retirement is a very interesting one. They want to make sure that the proposal made available to them by the government is fair and equitable to everyone.

There are some inequities for low income people and the threshold has been changed. We want to address that in committee and see to it that when we come back to this House appropriate amendments have been made.

I am very concerned about the approach taken by the NDP on some of these matters. It applies to Bill C-52 as well as to other matters that have come before this House and will continue to be considered by Parliament. It is the approach by the New Democratic Party to stifle debate rather than encourage it.

The Liberal Party is as concerned as anyone else with these measures. As we went through the debate on the goods and services tax everyone on the Liberal side of the House wanted to participate in that debate and put forward concerns as to why they believed the goods and services tax was not good for the country. They were not given that opportunity because the New Democratic Party insisted, through procedural matters, in not allowing the debate to go forward. Of course as often happens the government imposed closure. That meant that no one was heard. As opposed to elected members who are paid to express themselves having the opportunity to do so, practically no one was heard. It was very frustrating for a number of members in the Liberal Party.

We are looking at the registered retirement savings plan. No doubt there will be amendments brought when this bill is referred to committee. We want to state as clearly as we can that we believe this bill should move to committee, and all members of Parliament who want may join in unfettered discussion, be able to present their views and call witnesses. Those who oppose the bill will be more than welcome. Those who support it will be welcome, particularly those who have constructive suggestions as to how the bill could be amended to better serve Canadians who want to provide for their retirement.

• (1750)

I always hesitate to pre-judge what is taking place, but I have to look at the tactics used in recent weeks and what we see happening in committee at this stage. Although I want to give the benefit of the doubt that the motives are correct and that my friends in the New Democratic Party are opposed to the goods and services tax, they have serious reservations about RRSP legislation. That I recognize and respect.

Surely at some point parliamentarians have to debate these issues and oppose them as strenuously as they can. I am concerned about what will happen with the GST legislation. Rather than being able to oppose it in

committee, question witnesses who come to seek better ways to avoid the impact of GST and ask them why they do not oppose it as they should, we will have a situation where debate will be ended. The bill will be reported back to the House, and people who have been elected to represent their constituents will not have been heard as thoroughly as they should.

I totally sympathize with those people who want to use every means possible to try to block legislation, but in this place the majority eventually will gets its way. I am one of those who believes that before the majority gets its way the minority must have its say. That is not happening at this point.

In closing, I hope that when these matters of dealing with changes in the RRSPs, how they are administered, how the thresholds are set, how people can take advantage of them and whether they favour some people more than others come before committee we will have input from Canadians generally. I hope parliamentarians who are interested will come forward and provide constructive amendments as to how best we can serve the people we are elected to represent.

In the context of the goods and services tax which is still very much on everyone's mind, let us consider the impact of this change on Canadians who are able to provide for retirement, how we should be helping those who cannot use this mechanism, where this mechanism is unfair, how it can be improved, how tomorrow's budget will affect Canadians, and how we must oppose any propositions in that budget that are contrary to the best interest of Canadians.

Although it is cumbersome and sometimes minorities feel terribly oppressed by majorities, I hope we will have an opportunity for full and open debate, at least in this place. We have very little control over what goes on in the country. That is becoming more and more evident as the reaction to the goods and services tax continues to grow. Surely we have a responsibility as well to speak out on these issues and go on record as to what we disagree with, what we agree with, and how we think we can improve proposals put forward by the government. If those constructive suggestions are not accepted by the government, it would obviously be our duty and our responsibility to vote against the government proposals. We have no reservations about doing that unless the problems with the proposed legislation by the government are resolved by amendment.

I look forward to this matter being dealt with in committee. I am hopeful that all members of the House will allow for open debate, come forward with suggestions, and make sure that all of us work together to try to make this legislation as effective and as useful as possible to all Canadians.

Ms. Hunter: Mr. Speaker, that was rather curious debate on this particular bill. It sounded like a rationalization for a failure to have real alternatives to the GST. It seems rather curious that the member focused the majority of his comments against the New Democratic Party, which is not the party that has put forward this bill. It is a rather strange way of proceeding.

I can understand the kind of motivation that has propelled this member to make his speech in this manner, because we in the New Democratic Party do have alternatives to the GST. The kind of alternatives that we have and the kind of opposition that we have exercised in the finance committee have been very strenuous. That is because we are absolutely opposed to the GST, unlike the Liberal Party. The Liberal Party thinks that in the next election it will win by default and that by not proposing real alternatives it is going to sneak in because of the unpopularity of the Progressive Conservative government.

We should make it clear that we are firm in our opposition to the GST and to this RRSP legislation, that we have the courage of our convictions, that we are not prepared to debate these things, and that we are opposing them. That is the route of real democracy. Our constituents right across Canada are telling us that they want this bill stalled by whatever means. Even this afternoon in the finance committee witnesses told our members that they appreciated the role they were playing in stalling this legislation and to continue it with all their energy.

I would like to ask a question of the member who has just spoken. Why has the Liberal Party not posed real alternatives to the GST?

Mr. Young (Gloucester): Mr. Speaker, the question of proposing an alternative to the GST is falling right into the trap of the government. My friends to the left never really get too interested in what they would do as a government, because as the hon. member for Esqui-

malt—Juan de Fuca knows it is only a fleeting fancy. It is not the kind of thing the NDP enjoys for very long.

Mr. Gardiner: It did well in Chambly.

Mr. Young (Gloucester): I just heard someone say that it did well in Chambly. I cannot wait for the new member of the New Democratic Party to come into the House. What is going to happen—and most people are speculating on it now—is that we will have another leadership campaign in the NDP in 18 months. That is something to look forward to. It will be a lot more entertaining than the last one.

Ms. Hunter: We are very pleased with the leader we have, just like the Liberal Party.

Mr. Young (Gloucester): Going back to the question put by the hon. member, one of the reasons we are not prepared to stall the legislation on the registered retirement savings plan is that Liberals support registered retirement savings plans. I want to make that very clear. I am very proud to support registered retirement savings plans.

Ms. Hunter: Especially if they benefit the rich.

Mr. Young (Gloucester): We are suggesting that there are some problems with this legislation, and we want to deal with it in committee where we can move amendments and make suggestions. The NDP obviously does not like registered retirement savings plans.

That is its their problem. If they are against people being able to save for their old age, that is up to them.

Ms. Hunter: We didn't say that.

Mr. Young (Gloucester): If they are opposed to RRSPs, they should say that. What we are saying is that we support registered retirement savings plans.

Ms. Hunter: I rise on a point of order, Mr. Speaker. I think the hon. member should speak for his own party rather than our party. I think we can speak very well for ourselves.

Mr. Young (Gloucester): With respect to the RRSPs we want to go on record as supporting RRSPs. We want to make sure they are fair and equitable, and we want to make sure we bring forward constructive amendments in committee.

With respect to the GST I want to say that one of the things we will never do in committee or in this House is send surrogates to do the dirty work. That is what has been happening in the finance committee. The member of the finance committee who is the supposed finance critic for the New Democratic Party has not been part of it. The members for Esquimalt—Juan de Fuca and Nickel Belt have shown up in the finance committee to play their silly games, which they are very good at.

I respect my hon. colleague from Saskatchewan who is the finance critic and my hon. colleague who was a very strong contender in the leadership campaign for the NDP. They appear on a regular basis when we are doing business in the finance committee. They are two gentlemen who know how to present their party's point of view and do it appropriately, but what we have been exposed to is the absolute stupidity of a spectacle of two members, one of whom had never been to the finance committee before, coming in and playing silly games.

If members of the NDP are interested in playing silly games with registered retirement savings plans, that is up to them. If they do not want people to speak in the finance committee and be able to present testimony, that is up to them.

One thing for sure is that we will oppose the goods and services tax as we have since last August while the NDP was going back and forth across the country trying to find a leader. The alternative, and I will close on this, is to make sure that we do not fall into the government's trap. What Canadians are saying is no to the GST, not yes to something else still unheard of. Better the devil you know, which is the existing federal sales tax.

• (1800)

Some hon. members: Oh, oh!

Mr. Young (Gloucester): Oh, yes, Mr. Speaker, because if the New Democrats want to scrap both the federal sales tax and the GST, they would put another $18 billion onto the deficit. They probably do not know that that is what would be the result, but that is what they would be suggesting.

What over 600,000 Canadians who signed petitions that we have presented to the Clerk of this House have said, is,"no", to the GST. They have not said that they would like to take up the NDP's alternative because the NDP's alternative is unthinkable.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to rise today to speak on Bill C–52. Canadians probably shudder every time the government and the minister bring in a bill that is usually entitled, "an act to amend the Income Tax Act and related acts".

We know they shudder because we either get legislation that is going to ensure that middle class Canadians are taxed more or, as in this particular case, legislation to amend the Income Tax Act that is going to continue to protect their wealthy friends.

I think in the debate we have had on the grief and suffering tax, and now this debate on RRSP legislation, that it is very interesting to note the role of the Liberal party, as we just heard in the exchange with the Liberal member, in changing our Canadian tax structure. It is interesting to see the Liberals' role and compliance and their unholy alliance with the Conservatives. It is passing strange to see that kind of co-operation from the Liberal Party.

The Liberals have some honourable history. But this alliance that they now have with their friends in the Conservative party, protecting the rich and the wealthy, as they are doing with RRSP legislation, will make Canadians question what the Liberal party is trying to present in this House. When we ask the Liberals about their alternatives, they say they are not sure.

The Liberals then arrogantly preach to us about how we have to debate in committee and in the House and pay attention to all of the debating rules. Canadians are starting to see through that charade. It is a Liberal charade that is really evident in the debate on the goods and services tax.

Sometimes people get a little overconfident when their standing in the they polls go up. They tend to think it will be a nice, easy walk into office. I wonder if the Liberals are beginning to think that. My hon. friend, one of the Cabinet ministers is nodding. He thinks that way. I think the Liberals would probably be dumb enough to do that.

I think the point was well made at a convention I attended in British Columbia. We are going to fight the Conservatives all the way on the goods and services tax. That is our job. The Queen asks us to do that. She wants to be here to fight that unfair tax and to present alternatives like we have done, unlike, as I mentioned, the Liberal party. We are going to continue doing that.

Mr. Horner: What are your alternatives?

Mr. Gardiner: The member opposite wants to know what our alternatives are. We will send some extra copies over so he can circulate them to the seven or so Conservatives that are here. If we called a vote now, we would probably win it. Let us see if they have the courage to adopt those alternatives and replace the goods and services tax.

Let me say what will happen to them if they are successful in bringing in the tax. The deal is, if you do get to bring in the goods and services tax in about 10 months time, you lose the next election. I hate talking about politics in the House, as I have said, but when we are out knocking on doors and our supporters are out canvassing undoubtedly we will be talking about the GST—

Mr. Kristiansen: Not politics.

Mr. Gardiner: Not politics. This is not politics. We are talking about the GST. When the Conservatives come calling I think Canadians should ask for their money back. When you have a lousy product you get your money back. Even the president of The Bay goes on TV now to say he will give your money back, no questions asked. So when the Tory canvassers and telephoners come by in the next election campaign, ask for your money back. That is what Canadians should do.

What is the purpose of the legislation? It is an attempt by the Conservatives to really restructure our tax system in this country and to protect their friends. Bill C–52 is such legislation.

Of course, we are all getting calls now from members of the pubic and the media asking what is going to be in the budget tomorrow. What is the speculation about what is going to happen. The Minister of Finance has been on the road talking about how tough times are. He says that we are going to have to cut back and it will really hurt. The minister says the Conservatives do not like being unpopular but it is their mandate and they must take these steps.

I think it was about this time during the last budget when word started to get out that the budget was out all over the place. But assuming that the budget is not out all over the news while we are speaking here, the government is bringing in legislation that is going to

expand the amount wealthy Canadians can contribute to RRSPs.

The Liberals are hurting dramatically over their lack of opposition to the GST and are beginning to realize that Canadians now recognize that they are playing a shell game with their opposition. The Liberals try to play a few games by saying the NDP are against RRSPs and who knows what else they are going to do. That is not our position.

Mr. Mills: On a point of order, Mr. Speaker. You will have to bear with me for a second because this is the first time that I have ever stood in this House on a point of order and you may rule me out of order. But I have been listening to the NDP for the last three hours in here and at a finance committee meeting.

They keep mentioning that we do not have alternatives on this side of the House. I want to be on the record that that is not the case and the New Democrats know it because I personally sent all the NDP members in the last two weeks a copy of one proposal in this party called the single tax. So I think that the record should stand corrected. It is one of many that are being worked on.

The Acting Speaker (Mr. Tremblay (Québec Est)): The hon. member from Prince George has the floor.

Mr. Hockin: On a point of order. I do not believe that it was a point of order but I would like to know whether or not the single tax is party policy.

Mr. Mills: Mr. Speaker, I started off by saying that this is not party policy but we are working on many ideas. Members should not say that we as Liberals are not working on ideas and that we are not proposing alternatives. This is one of many that are being worked on which I presented to the Department of Finance. We have worked on it for nine months and we have yet to have a single response from the Government of Canada on this one idea. I know many of my colleagues have many other ideas, but there has been no response.

Mr. Horner: Was that the Pocklington proposal?

Mr. Mills: Was that a question? Is it the Pocklington proposal? I should tell you absolutely not.

Some hon. members: Order.

• (1810)

[*Translation*]

The Acting Speaker (Mr. Tremblay (Québec–Est)): Everything that I have heard is, as I see it, matter for debate and I give the floor again to the hon. member for Prince George—Bulkley Valley (Mr. Gardiner).

[*English*]

Mr. Gardiner: Mr. Speaker, I know that from our knowledge of the rules it would be a good guess that interventions were probably not points of orders, but that is okay. I will accept that because I know from time to time the Conservatives probably do the same thing.

New Democrats would never rise on a point of order and try to make debating points. I appreciate my hon. friend from the Liberal Party and his nice, fancy tax proposal that I have received. It is in the pile to read at some point.

The Conservative member is correct. As far as we know it is not Liberal party policy. I think the hon. member who rose in his place was considered at one point to perhaps run for the leadership of his party.

I guess the fact that he could not raise the money, the $1.7 million that the Liberal party says you need to become the leader of that party, prevented him from doing so. He cannot afford it. He had to step down. That shows how much support his idea has in his own party. He could not sell enough books. It is a real comment on the sins of the Liberal party and on how the party treats some of the members of its own caucus who are trying, I think, to make a serious effort with some honourable proposals. But I wonder if the associate finance critic of the Liberal party is aware of this proposal, and what does he think about it.

I wonder if he is prepared to take it to the convention. With the shell game that we are seeing by the Liberals and Conservatives on the GST, we are never sure what to expect.

Mr. Mills: Alberta endorsed it.

Mr. Gardiner: A member said Premier Getty. That is really something. That is a real plus. Premier Getty has endorsed it. This is the premier of Alberta who is being ridiculed for Family Day today by the Liberal Party.

Mr. Mills: The Liberal Party.

Mr. Gardiner: That is even more serious than Premier Getty. Do you want to add to the list? Pretty soon Premier Vander Zalm will declare the Liberal flat tax policy as a distinct tax policy for Canada.

It is probably in the dinosaur museum already. After hearing the hon. member from the Liberal party who has clearly indicated such a responsible group of people who have endorsed his tax proposal, I suppose we will see where it will go in the future.

What is the purpose of Bill C-52? An article in the Toronto *Star* deals the distribution of income in Canada. It is a very important issue for us to deal with because when we talk about RRSPs we are dealing with the distribution of income. We are talking about what measures a government implements to either raise funds or not raise funds.

Some years ago the Liberal government at the time was taking anything that was not currently being taxed that should be taxed and considering it as a loss to the government. One would either be taxed for parking a car, or the government considered it lost tax revenue. That is the kind of thinking you get from the Liberal party.

Let me refer to this important editorial. The distribution of income in Canada is highly unequal. In 1981, the 20 per cent of Canadian families with the highest incomes ended up with 41.8 per cent of the total income pie. By contrast, the 20 per cent of families with the lowest incomes got less than 5 per cent. What does the Conservative finance minister try to do? He takes a look at this problem. He takes a look at poor people in this country. I think it is an obligation and a duty that members of Parliament become aware of the concerns and the needs of people who are less fortunate, probably than most of us in this House. What does he do? He brings in Bill C-52, an amendment to the Income Tax Act.

This editorial in not NDP propaganda. It is an editorial commenting on the minister's proposals.

Under the finance minister's new proposals, Ottawa would provide tax assistance to all employed Canadians to create a nest egg that would allow them to maintain their incomes in retirement up to a pension limit of $60,000 a year. To do so, he would provide the greatest assistance to those at the upper end of the income scale. That is very important.

Someone earning $20,000 a year would get an annual tax break worth about $1,200, compared to a break of about $7,500 for those earning more than $86,000 a year.

We do not know yet whether the Liberals support this bill. They want to go into committee. Knowing the Liberals, they will make it even better for the wealthy, knowing their style.

The finance minister says the change is necessary to restore equity to the way in which our tax system treats retirement savings. A high income earner working for a corporation with a pension plan of its own, for example, currently gets more tax assistance than a self-employed person with the same income or a person who works for a company with no pension plan.

This is the point I was mentioning about the lost revenue to government. The finance minister's proposal, when fully implemented, would drain an estimated $300 million a year from the federal treasury, which the finance minister has said on numerous occasions, as we have all heard in this House and in the news across the country, is stretched to the limit.

Mr. Kristiansen: I thought they had to cut back.

Mr. Gardiner: The hon. member says he thought they had to cut back. Let us refer to the comments made by the member from Esquimalt—Juan de Fuca, about the kind of revenue and capital that is available in the country.

What would $300 million do? I can give you an example from my own province. It is something I have spoken about a lot and something we hope to hear about in the budget tomorrow night. That $300 million would nearly fund the federal—provincial forest agreement in British Columbia. I have talked about this before. This is an example of the different ways funds can be used. In this particular case, the funding of that forest agreement with that $300 million, one should consider this investment for the long term benefit of this country.

The points we are making about Bill C-52 are not that we are against RRSPs. It would be good to have an RFSP, a registered forest saving plan. My friend from Esquimalt—Juan de Fuca talked about municipal loans infrastructure in Canada. We have examples in the United States where municipal infrastructure is falling apart. In Canada, municipalities put together infrastruc-

ture programs. But they were rejected out of hand by the government.

The government should put the effort it is giving to the goods and services tax into a fair tax system, into helping those sectors of our economy that are in need, whether it is cleaning up pulp mills, planting more trees or helping diversify some of the economies.

Just think about that. If it had put that year-long effort into helping poor people and giving young people jobs and education, planting trees and cleaning up the environment, think how much better this country would be, rather than the havoc it is going to wreak on the economy in the early part of next year. Bill C-52 simply offers ongoing protection to the wealthy.

With the alternatives our party has talked about and the message we use in this Parliament to get it across, people will start to see through the shilly-shallying of the Liberals and Conservatives on the GST and Bill C-52. They are going to see a clear message coming from our party. I know they will support that.

• (1820)

Mr. Gustafson: Mr. Speaker, the hon. member from the NDP seems to say that he is supporting RRSPs but he does not want to increase the level and he wants to use the socialist ideal of socializing everyone into the poverty level. These ideals have been rejected around the world. They have been rejected in eastern Europe and they are being rejected again and again. It is obvious that the NDP does not understand the importance of investing in your own country.

Why is the member opposed to Canadians investing in their own country, for the good of Canadians? I think he should rethink the whole idea of the NDP policy. There has been a love affair going on here between the NDP and the Liberals. They get to spatting over who is the opposition but they really have not explained what direction they would take in regard to creating some investment capital in this country.

Mr. Gardiner: Mr. Speaker, an hon. member suggested that the question was not worth an answer. It is not fair to treat the Conservatives that way. Even Conservatives deserve an answer.

The hon. member touched on a couple of points in his question to me. He referred to the rejection of the ideals of the NDP in Europe and so on. The fact of the matter is that it is quite the reverse. People in Europe are rejecting the extremes of the right and the left and the strategy of social democracy and a mixed economy is becoming more accepted all over the world than ever before. I think it is ridiculous for members on the opposite side to suggest that people are jumping on the capitalist train. Whether that exists nowadays or not, I do not know. We all know about the efficacy of social democracy, about the mixed economy, something for which this party has stood for years.

The member also made comments about the poverty level as though under the New Democrats we are all going to wear grey jackets and what have you. Well maybe the hon. member was right, maybe the question was not worth answering, but I can refer the hon. member to some good background reading. On this particular point there is one particular group of people who have got together in this country and other countries, including some European countries the hon member has talked about, who have helped people struggle out of poverty.

I speak of the trade union movement in this country. We make no apologies for working closely with people in the trade union movement. The trade union movement has fought to ensure that people have had fairness and equality, good wages and good working conditions, not like the party opposite that uses every opportunity to drive down and beat up unions whenever it has a chance. Those members will take all the benefits of working in an organized work site, just as they will take all the benefits of socialized medicine.

As my colleague from Esquimalt—Juan de Fuca always says so clearly, if they don't like it they can rip up their medicare card anytime. You know they are not going to do that, Mr. Speaker.

We have said clearly that this legislation helps the wealthy. We are going to slow down this legislation coming from this government just as we are fighting the GST because it is the Conservatives and Liberals protecting their wealthy friends once again.

Mr. Kristiansen: I would like to ask my colleague to elucidate a little further on some of his comments.

Is it not true that the members opposite in the Conservative Party have continuously been saying that we have to change all our spending priorities because we are short of money and that we should eliminate those programs that help people who are better off in order to help those people who are really in need?

That seems to be totally in conflict with what the government is doing in this case, which is turning $300 million to $350 million a year over to the people who need it least when tomorrow in all likelihood it will take away money from the people who need it most. It seems to me that that is a bit of a conflict.

Mr. Gardiner: Mr. Speaker, yes.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Mr. Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion which was negatived on the following division:

(*Division No. 192*)

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
Funk
Harvey (Edmonton East)
Hunter
Langan (Mission—Coquitlam)
McLaughlin
Murphy
Rodriguez
Stupich
Waddell
Barrett
Black
Brewin
Gardiner
Hovdebo
Kristiansen
McCurdy
Mitchell
Riis
Samson
Taylor
Young (Beaches—Woodbine)—24

NAYS

Members

Anawak
Arseneault
Atkinson
Belsher
Bernier
Bevilacqua
Blackburn (Jonquière)
Blenkarn
Boyer
Caccia
Chadwick
Clancy
Cole
Corbeil
Côté
Crawford
Dobbie
Duhamel
Edwards
Feltham
Ferland
Fretz
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Horner
Hudon
Jordan
Kempling
Landry
Layton
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
MacLellan
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
Merrithew
Milliken
Nicholson
O'Kurley
Phinney
Plourde
Pronovost
Prud'homme
Reimer
Robichaud
Roy-Arcelin
Siddon
Soetens
Speller
Tétreault
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vézina
Wenman
Wilson (Etobicoke Centre)
Anderson
Assad
Attewell
Berger
Bertrand
Bird
Blais
Bourgault
Brightwell
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cooper
Corbett
Couture
DeBlois
Dorin
Duplessis
Epp
Ferguson
Foster
Gaffney
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horning
Hughes
Kaplan
Kilger (Stormont—Dundas)
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDougall (Timiskaming)
Maheu
Marin
Mazankowski
McDermid
McGuire
Mifflin
Monteith
Oberle
Pagtakhan
Plamondon
Porter
Proud
Reid
Richardson
Rocheleau
Saint-Julien
Sobeski
Sparrow
Stevenson
Thorkelson
Tremblay (Québec-Est)
Venne
Vincent
White
Worthy—124

Mr. Deputy Speaker: I declare the amendment lost.

Mr. Gauthier: Mr. Speaker, in the interest of saving time, I think you would find there would be a disposition to apply this vote to the main motion, but in reverse.

Mr. Deputy Speaker: I notice that the House leader for the New Democratic Party agrees with that. On a point of order, the Secretary of State.

Mr. Weiner: Mr. Speaker, I was unavoidably detained and would have voted, of course, with the government on the last vote. I would like to be recorded as doing so on this vote.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I accept the hon. minister telling us what he would have done if he had been here, but I think that he wants to have his name and the names of all the others who were absent added for the second vote we are now taking and not for the first vote.

[*English*]

Mr. Darling: Like the minister, I also would have voted with the government on the previous vote, and would like to be recorded as doing so on this one.

• (1900)

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I was absent for the first vote, but ask that my name be added to the government side for the second vote.

[*Translation*]

Mr. Cadieux: Mr. Speaker, to save time, I go along with what my colleague said.

[*English*]

The House divided on the motion which was agreed to on the following division:

(*Division No. 193*)

YEAS

Members

Anawak
Arseneault
Atkinson
Belsher
Bernier
Bevilacqua
Blackburn (Jonquière)
Blenkarn
Boyer
Caccia
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Cooper
Corbett
Couture
Darling
Dobbie
Duhamel
Edwards
Feltham
Ferland
Fretz
Gauthier
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault
Halliday
Hawkes
Hockin
Horner
Hudon
Jordan
Kempling
Landry
Layton
Leblanc (Longueuil)
Littlechild
MacDonald (Rosedale)
MacLellan
Malone
Martin (Lincoln)
McCreath
McDougall (St. Paul's)
Merrithew
Milliken
Nicholson
O'Kurley
Phinney
Plourde
Pronovost
Prud'homme
Reimer
Robichaud
Roy-Arcelin
Siddon
Soetens
Speller
Tétreault
Tremblay (Rosemont)
Tremblay (Lotbinière)
Vézina
Weiner
White
Assiniboia)
Worthy—128

Anderson
Assad
Attewell
Berger
Bertrand
Bird
Blais
Bourgault
Brightwell
Cadieux
Chadwick
Clancy
Cole
Corbeil
Côté
Crawford
DeBlois
Dorin
Duplessis
Epp
Ferguson
Foster
Gaffney
Gérin
Greene
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horning
Hughes
Kaplan
Kilger (Stormont—Dundas)
Larrivée
LeBlanc (Cape Breton Highlands—Canso)
Lewis
Loiselle
MacDougall (Timiskaming)
Maheu
Marin
Mazankowski
McDermid
McGuire
Mifflin
Monteith
Oberle
Pagtakhan
Plamondon
Porter
Proud
Reid
Richardson
Rocheleau
Saint-Julien
Sobeski
Sparrow
Stevenson
Thorkelson
Tremblay (Québec-Est)
Venne
Vincent
Wenman
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)

NAYS

Members

Althouse
Benjamin
Blackburn (Brant)
Funk
Harvey (Edmonton East)
Hunter
Langan (Mission—Coquitlam)
McLaughlin
Murphy
Rodriguez
Stupich
Waddell

Barrett
Black
Brewin
Gardiner
Hovdebo
Kristiansen
McCurdy
Mitchell
Riis
Samson
Taylor
Young (Beaches—Woodbine)—24

Mr. Deputy Speaker: Pursuant to the proposal made by the hon. house leader for the Official Opposition and the agreement of the House, I declare the main motion carried.

Bill read the second time and referred to the Standing Committee on Finance.

Adjournment Debate

POINT OF ORDER

BUDGET STATEMENT OF THE MINISTER OF FINANCE

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I rise on a point of order. There have been discussions among the parties and I think you would find consent to approve the motion with respect to the budget which was read into the record immediately prior to Routine Proceedings today.

I understand that my hon. friend for Kamloops has a point of order with respect to questions and answers *vis-à-vis* the minister's budget address which he wishes to raise at 11 o'clock tomorrow morning.

In the event that Mr. Speaker agrees with my hon. friend for Kamloops, we would agree to the order being amended to take into account any such ruling.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise on a point of order with respect to the government's request earlier today to present the budget tomorrow at 4.30 p.m.

Given that this budget will be predicated on the revenues expected from the goods and services tax, given that 80 per cent of Canadians have expressed their concern about this tax and rejected this tax, and given that the government has decided to ignore the voice of Canadians, my party had to seriously consider the legitimacy of introducing such a budget.

Some hon. members: Oh, oh!

Mr. Deputy Speaker: Order. The hon. leader of the New Democratic Party has the floor.

Ms. McLaughlin: Mr. Speaker, I understand that my comments could give the government some anxiety but I would say to the government that people of Canso, Nova Scotia, know about anxiety and what is happening to them. People on fixed incomes and the farmers of this country know about anxiety.

Given the high inflation, the increasing unemployment and the high interest rates, we are prepared to give the Minister of Finance the opportunity to show some economic leadership in the country. Should the government introduce a motion to introduce the budget at 4.30 p.m. tomorrow, we are willing to give our consent.

Mr. Deputy Speaker: The House has heard the terms of the motion proposed by the Minister of Justice and government house leader. Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, members will recall that on November 9, 1989, the Canadian Federation of Students visited Ottawa to protest against the government's handling of post-secondary education in this country.

They had identified the massive slash in transfer payments to the provinces, roughly $24 billion fewer dollars for health and education over an eight or nine fiscal year period. They understood, as well, that there would be less funding for training and retraining. They knew that the government had removed almost $700 million and then had added another $800 million without making any adjustments for student growth, without making any adjustments for inflation, and without making any adjustments whatsoever either for new programs that were needed.

They were alarmed at the government reneging on its commitment to double its investments in research and development. We had been at roughly 1.4 per cent of gross domestic product, that is in terms of investments, which is roughly one half of what is expended in the United States, Japan, Sweden, France and West Germany, and that has slipped. In fact the Prime Minister had asked the provinces and the private sector to contribute more. The provinces have contributed 21 per cent more during the last five years. The private sector has contributed 19 per cent more, while the federal government has contributed 9 per cent more. Its contribution has not even kept up with inflation.

• (1905)

They were concerned as well about the weak commitment to literacy. I refer to the $110 million that has been announced so often that people are starting to think, as the government would want them to think, that it is new money. But $110 million over five years is $22 million a year for the roughly five million functionally illiterate Canadians. That works out to $4.50 per student per year.

They were angry at the fact that student aid criteria have not changed since 1984, that they are now paying much more for their education. Their parents are paying more, and so are their guardians. In fact, tuition fees are going out of sight. There is massive student debt. Students are really quite concerned as to whether or not they will be able to continue their studies.

Of course, most recently, there was the addition of the 3 per cent administrative fee, which is a cruel blow because it is added on to those individuals who need funding most. Now, not only does one have to borrow if one is poor, but one also has to pay an additional penalty of 3 per cent.

These students are well aware of the hidden taxes that have been brought forward by the government. A couple of examples would include the goods and services tax which will impact negatively upon the education of students in this country—post-secondary, elementary and secondary. They were angry as well about the cancellation of the postal subsidies for scholarly and academic journals.

You will recall, Mr. Speaker, that on November 9 I had asked the minister responsible these questions. What is the government going to do to counter these problems? What is the government going to do to protect our quality of life? What is the government going to do to enhance our competitiveness with the United States, Japan, Europe—our major competitors? What is the government going to do to make this nation become a nation of leaders and not followers?

The cuts that the government has undertaken in transfer payments and the reductions in other sectors of the educational pie will have a negative impact on the small and poorer provinces. Let me just briefly state why this is so. They are, in fact, a grant that is transferred to the provinces. When the province is poor and small, it has less ability to maintain the infrastructure that it has had in place for health, education and other services.

In fact, I have almost completed a cross-Canada tour on which I have been talking to people in universities, colleges, school systems, and to parents and students. One of the factors that has been identified for me recently as being particularly critical is in Prince Edward Island and Newfoundland. In those provinces the elementary and secondary school programs are starting to suffer because there has been a massive drain on the resources of those small, poorer provinces to try to maintain what they have in place.

When we think of Canada as a country that is committed to the sharing of resources so that every man, woman and child will have access to those basic necessities of life—health, education and other related services—we shudder. We are concerned and many people are frightened.

As well, during this tour I have talked to people who were responsible for minority language education, French outside of Quebec and English in Quebec. They are concerned that the reductions and the cuts will have a negative impact upon them.

I talked to people in the native education sector, our aboriginal people. They are angry at the capping of education, particularly when at this particular point in their evolution there are more and more of their peoples who want to benefit from post-secondary educational opportunities.

I talked to new Canadians who were annoyed. Frankly, some of them were terribly angry that certain programs for the learning of English and French had been removed.

The government will counter by saying that it spent $240 million on the Centres of Excellence. But you have to look at that in terms of the total massive retreat of the federal government. We are talking about billions of dollars—not millions but billions of dollars—of retreat from post-secondary education in which $240 million is a lot of money. At the same time if you look at it in juxtaposition to what has been removed it is not a great deal, of course.

• (1910)

With respect to the Centres of Excellence, what is alarming is that not one single study was undertaken in the area of social sciences and the humanities. One would think that in an era such as ours, in a country such

as ours, where increasingly society is making greater demands upon us and when we are accelerating into a highly technological society, that someone would have thought to ask some basic fundamental questions.

Where is this technological society taking us? What impact will it have on me, on you, and on Canadians generally? One would have thought that that would have been something which the government would have wanted to fund.

The questions that are being raised today are these. Are there any other massive cuts coming? Will there be other reductions? Will the pain be even worse than it has been? Will our young Canadians suffer? Will they be unable to be competitive with young people from other countries?

[*Translation*]

Mr. Speaker, I just said very briefly that when I raised the question in the House on November 9, I received a reply that I thought was incomplete and I therefore gave a summary of the massive government cuts and tried to show the negative impact on every region and all the people of this country.

I therefore ask the minister now to try to elaborate, to tell me exactly how they will proceed to offset these cuts.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, on behalf of the Secretary of State, I would like to take the opportunity to provide further information in answer to a question raised by the hon. member for St. Boniface on November 9 concerning the funding of post-secondary education.

As the Secretary of State—who is right next to me—said recently, education is a national priority for our government. We have an explicit commitment to co-operate with the provinces and territories in funding a post-secondary education system based on excellence and equal opportunity.

At the First Ministers' Conference last November, the Prime Minister proposed setting up a national task force on developing human resources for the year 2000. This task force would be particularly concerned with identifying the problems of human resources, examining the results obtained by the present education and training systems and formulating recommendations on the desired changes.

[*English*]

The Prime Minister's representative, Dr. Douglas Wright, President of the University of Waterloo, is working closely with the Council of Ministers of Education to develop the proposal. The Prime Minister confirmed that the federal government will "carry its fair share of the burden to ensure that all young Canadians receive a first class education as they confront a world-class challenge".

Currently, the largest single element of federal support is the Established Programs Financing, EPF, arrangements. Under this program the federal government transfers cash payments and tax points to provincial governments for post-secondary education.

In 1989, the program demonstrated strong growth despite financial constraint. That does affect the level of increase in EPF. The program provided $5.4 billion last year. It is providing $5.7 billion this year. This is a 6 per cent increase, not a cutback.

Combined with other forms of more direct support, total federal support to higher education is around $7 billion of the total $12.5 billion to be spent this year.

[*Translation*]

Access to post-secondary education for all Canadians is a priority for both federal and provincial governments. The Canada Student Loans Program, together with provincial programs, has helped over 1.5 million Canadians continue their studies. This year, more than $400 million will be spent on financing loans to a quarter of a million students, twice the amount spent five years ago. The loans program is now being reviewed in order to balance present and future needs of both students and governments.

• (1915)

With the implementation of the new Canada Scholarship Program, the best students will be able to earn degrees in natural science, engineering and related disciplines. The Centres of Excellence Program will give some of the best researchers of this country a unique opportunity to work together on projects that are vital to our future. Good news for our future engineers, scientists and researchers.

Mr. Speaker, these are some of the achievements that testify to our serious commitment to post-secondary education in Canada. Our future economic and social development depends on our ability to co-operate with

provinces and territories, universities and colleges, teachers and students.

[*English*]

We need to take another look at the education systems of Canada to find ways to use existing education and training resources more effectively and efficiently. It is not enough simply to demand more resources. Canada's spending on education per capita is second only to Sweden. We must work together and demand excellence and high quality results from the investment we already make in our education and training systems.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The house adjourned at 7.17 p.m.

HOUSE OF COMMONS

Tuesday, February 20, 1990

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's responses to eight petitions.

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

* * *

[*Translation*]

PETITIONS

TAX BENEFITS FOR NORTHERN AND ISOLATED AREAS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, pursuant to Standing Order 36, I wish to table two petitions, one from Matagami and one from Lebel-sur-Quévillon, which reject the recommendations of the Tax Force on Tax Benefits for Northern and Isolated Areas.

Your petitioners, who represent the isolated areas of Matagami and Lebel-sur-Quévillon in the Abitibi area, feel that although isolation is mainly a psychological factor, it can be expressed in dollars and cents.

Mr. Speaker, the residents of these communities believe that the task force has failed to allow for the daily realities in the North and the near North in the Abitibi area.

[*English*]

CHILD CARE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I have the honour today to table two petitions which have been signed by my constituents of Brandon—Souris. The first petition is from members of the Brandon University community, faculty and students alike. They call upon Parliament to urge the government to honour its commitment to child care and to provide a comprehensive quality, accessible and affordable child care program for Canada.

RIGHT TO LIFE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the second petition is from a number of my constituents who indicate their support for Parliament enacting legislation which will protect human life from conception to natural death.

GOODS AND SERVICES TAX

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to table a petition which has been certified correct by the Clerk of Petitions.

This petition on budget day brings to the attention of this House the grave injustice that will be put on Canadians with this 7 per cent tax on goods and services. These petitioners would like to make sure the House knows that they object to this hidden tax, that they think this will cause serious and unfair hardship to low and middle-income Canadians, that the imposition of the GST will create an onerous burden on small business and that this is indeed an unprecedented tax grab from the pockets of Canadians that will not only mean higher taxes but will bring in higher inflation, higher interest rates and higher unemployment.

• (1110)

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

CHILD CARE

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I have a number of petitions to present to the House with your indulgence today.

The first one is signed by 31 members of the child care faculty of the University of Victoria. It is signed out of concern for the federal government's lack of initiatives in child care. These are professionals who are very concerned and aware of the vacuum in Canadian policy. On this day that the budget is to be presented, I present this petition signed by professionals in the field who know very well the kind of harm that comes from having that vacuum in Canadian policy.

FISHERIES

Ms. Lynn Hunter (Saanich—Gulf Islands): The second petition I would like to present is signed by 75 of my constituents, particularly from the Gulf Islands, Salt Spring Island. It relates to the whole problem of driftnet fishing. The petitioners ask that all possible means be used to stop the use of driftnets in the north Pacific, including the institution of economic sanctions against the offending countries and the placing of prohibitive tariffs and duties on imports to Canada from those countries.

INCOME TAX

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the third petition I have is signed, once again, by my constituents and talks about the relation of the tax system to Canadian women who file tax returns. Fifty per cent of Canadian women have incomes of $10,000 per year or less, compared to only 23 per cent of men.

Whereas thousands of Canadian women living in poverty pay income taxes the petitioners ask that the government introduce a tax system that is simpler and fairer to average Canadians and which establishes a better balance between corporate and personal taxes. They ask that the government restore indexation to the child tax credit.

Once again, on the day the budget is going to be coming down, this is a very important message to the government.

VIA RAIL

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the next petitions I have relate to VIA Rail. They contain 250 signatures of people from my constituency who talk about the lack of federal resources to VIA Rail and the importance of a passenger rail system to Canada. They say that the government should be working to upgrade VIA Rail equipment and give VIA Rail a sufficient budget to maintain its national mandate for passenger service.

GOODS AND SERVICES TAX

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, the next petition I have is signed by over 300 of my constituents and relates to the goods and services tax. The petitioners ask that the government cease this proposal that will shift the tax burden on to ordinary Canadians through this regressive, consumptive tax instead of real tax reform.

EL SALVADOR

Ms. Lynn Hunter (Saanich—Gulf Islands): Finally, Mr. Speaker, this petition has upward of 250 signatures of my constituents and talks about the situation in El Salvador. As we heard in the news yesterday, the Government of El Salvador is once again bombing civilian targets in the city of San Salvador.

These petitioners ask that the Government of Canada utilize the full potential of Canada's position at the United Nations and as a member of the OAS, to pursue an independent diplomatic policy leading to the full protection of human rights and a peaceful resolution of the conflict in El Salvador.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, there are many petitions against the goods and services tax and I am pleased to have the honour to add another one from the Kamloops constituency.

With these petitioners' signatures there are a total 17,257 from the Kamloops area alone. Today's petition is signed by representatives of the Kamloops and District Teachers Association and the Caribou College Faculty Association, as well as the communities of Westwold, Dallas, Valleyview, Monte Lake, Pritchard, Barnhart Vale, Turtle Valley, Highland Valley, Deadman's Creek and Monte Creek.

They have a long list of grievances with reference to the goods and services proposal and are asking that the Parliament of Canada do whatever it can to stop the tax from becoming a reality.

FORESTRY

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a second petition on another issue from the residents of Little Fort, British Columbia, who are concerned about the federal-provincial forest resource development agreement that has yet to be signed.

I am pleased to see that the minister is here. I will direct this point to him. The petitioners point out that the forest industry of Canada is Canada's pre-eminent industry in terms of export earnings. They point out the advantages of the present agreement in terms of providing employment as well as regenerating our forests and they ask Parliament to renew this important agreement with British Columbia and thereby provide for a renewed commitment to restocking our forest land, advancing forest research, promoting silviculture and assisting the forest industry in developing the new products and markets that will provide us with forestry jobs in the future.

GOODS AND SERVICES TAX

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also am honoured to present a petition which expresses the views of many Canadians opposing the goods and services tax because it is an unfair form of taxation which disregards the taxpayers' ability to pay. The government has not addressed the unfair tax system which permits wealthy individuals and corporations to pay little or no federal tax. It is taxing a number of things such as reading, haircuts, diapers, coffins and home heating fuels.

Therefore, the petitioners call on Parliament to reject the proposed goods and services tax and to bring in a tax system that is more effective, including a minimum tax on wealthy individuals. They say that this reform must not be an opportunity for the government to impose a massive tax grab.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a petition approximately 1,600 signatures from all parts of my constituency and a number of adjoining constituencies, all making the case that the current proposal for a goods and services tax is not acceptable to them.

In their view, reform of the tax system to provide an effective, minimum tax on wealthy individuals and corporations is more important and if there is a change in taxation there should be a broad public consensus with respect to such change. In this case, the only consensus is a consensus in opposition to this government's changes.

NORTHERN BENEFITS

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36. It is signed by 632 constituents of my riding of Cochrane—Superior and, more specifically, from the town of Manitouwadge.

These residents are very concerned about a task force report on tax benefits for northern and isolated areas. This task force would see some 37 communities in my riding no longer eligible for the tax benefit.

Manitouwadge is 45 miles north of Highway 17 and well over 400 kilometres from the town of Thunder Bay. Therefore, the petitioners from Manitouwadge call upon Parliament to reject this task force report in its totality.

GOODS AND SERVICES TAX

Mr. Joe Fontana (London East): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present to this House a petition from my constituents. It seems most appropriate on this budget day that the citizens of Canada from London are asking this government to scrap the proposed goods and services tax which will cause undue hardship to small business, seniors, students and people in lower income groups. They ask the government to rescind its action on the GST.

• (1120)

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have the honour to present two petitions to the House today, one from Saanich in the Victoria area and another signed by residents from all across British Columbia who, on this very important budget day, are also asking the federal government to ensure that the federal-provincial forest agreement between this Parliament and the government in Victoria is signed to ensure that we can get the replanting that is needed in our deforested lands.

The minister is here today. He knows our concerns and he knows what we are looking for in the budget tonight to ensure that agreement is signed.

Point of Order

GOODS AND SERVICES TAX

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I have the honour today to present a petition pursuant to Standing Order 36 from my adopted city of Windsor. It is properly certified.

The citizens of Windsor pray that the government will reconsider, reassess and rethink its position with respect to the imposition of the goods and services tax that it plans to put in place on the backs of the Canadian people on January 1, 1991.

These people pray that the government will reconsider its position and assess a different type of taxation rather than a consumer tax.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a number of petitions against the goods and services tax from a number of different provinces and a number of different cities including Winnipeg and Selkirk, Manitoba, Comox, B.C. and many places in Alberta.

In the various petitions these citizens explain that they are concerned with the goods and services tax proposed by the Minister of Finance. They believe it is an unfair form of taxation because it lacks any regard for the taxpayers' ability to pay. They believe that the government has not addressed the unfair taxation system currently in place which permits wealthy individuals and corporations to pay little or no federal tax while forcing lower or middle income taxpayers to bear more of the national tax burden.

Therefore, these Canadians humbly pray and call upon Parliament to reject this tax and call upon the federal government to institute a regime of fair taxation.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have the pleasure to present a petition pursuant to Standing Order 36 from a number of residents of Ottawa West, primarily senior citizens, who are concerned about the impact of the new goods and services tax on their ability to enjoy their retirement years in reasonable comfort and financial independence. They pray that Parliament reject the proposed goods and services tax.

QUESTIONS ON THE ORDER PAPER

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

Mr. Murphy: Mr. Speaker, I rise on a point of order. As the parliamentary secretary knows, before the Christmas break I asked if I was going to get an answer to my question with regard to moneys that the government has given to various corporations that have Senators as members. He at that time explained that it was a complicated issue. However, it has now been approximately four months since that question was given to the government. I would certainly like to know if we are going to get that information.

Mr. Cooper: Mr. Speaker, if I am correct I think the hon. member is referring to Question No. 169. Answers have been drafted to that question. It is just going through the final translation and approval stages.

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

Some hon. members: Agreed.

* * *

POINT OF ORDER

BUDGET STATEMENT OF THE MINISTER OF FINANCE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I have a short point of order regarding the budget presentation for later today.

Mr. Speaker, I would request that you review the rules governing the presentation of the budget and consider whether those rules provide for a 10–minute question and comment period to follow the delivery of the budget in the House by the Minister of Finance.

I would like to bring to your attention a few brief previous rulings on questions and comments in the hopes that you will find that it was clear in terms of the intention of the House that such a question and comment period be held when the relevant Standing Orders were originally adopted.

Standing Order 84(7) governs time limits and comments on speeches during the budget debate. It says:

> No Member, except the Minister of Finance, the Member speaking first on behalf of the Opposition, the Prime Minister and the Leader of the Opposition, shall speak for more than twenty minutes at a time in the Budget Debate. Following the speech of

> each member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

Mr. Speaker, the wording of this Standing Order is virtually identical to that of Standing Order 52 which governs another special debate in the House, the Address in Reply to the Speech from the Throne.

In considering then whether there can be questions and comments following the budget speech, it is quite pertinent to look to rulings regarding the nearly identically worded provisions for the address in reply.

For example, on December 9, 1983, the then Leader of the Opposition, who is currently our Prime Minister, replied to the Throne Speech. Following his comments my colleague, who is currently the member for Winnipeg Transcona, rose and attempted to direct a question. The then government House Leader interjected and asked the Speaker whether a question period was in order. He said:

> As a Leader of the Opposition and the Right Hon. Prime Minister may speak for an unlimited time I should like you to make your position clear on this issue, that we may know where we stand in the future.

The Deputy Speaker was quite clear on this point when he said:

> I shall quote from (the) Standing Order—which reads as follows:
>
> Following the speech of each Member a period not exceeding ten minutes shall be made available—
>
> That is strictly according to the rules. There has, however, been a practice of extending a courtesy which has normally been extended and the question period has been waived. However, according to the rules, the Hon. Member has the right to pose a question.

Following this clarification my colleague, out of courtesy, deferred his question. Nonetheless there was a clear ruling that according to the rules there is a right to pose a question.

So well understood was this right that when Journals branch published a chart of the time limits on speeches and debates in June 1984, it included on the chart the clear indication that questions and comments could be asked following the speeches of the Minister of Finance, the minister speaking first on behalf of the opposition, the Prime Minister and the Leader of the Opposition.

I have circulated to my hon. colleagues, the government House leader and yourself, as well as the House leader for the Official Opposition, the diagram that was submitted in 1984 by the Journals branch which makes it very clear that under the budget debate, whether it is the Minister of Finance or the minister speaking first on behalf of the opposition, the Prime Minister or the Leader of the Opposition, while they have no time limit on their speeches, very clearly there is an opportunity to ask questions or make comments on their presentations.

You probably recall, Mr. Speaker, that that Journals publication of 1984 followed the 1982 report of the Special Committee on Standing Orders and Procedures. The Minister of Justice, the Minister of Western Economic Diversification and Minister of State for Grains and Oilseeds, the member for Burin—St. George's, the Minister of Energy, Mines and Resources, the member for Winnipeg Transcona and the member for Notre-Dame-de-Grace are current members in the House who served on that special committee. After examining the proceedings, it is perfectly clear that their recommendations intended that the 10 minute question and comment period follow the lead addresses of the Prime Minister, the Leader of the Official Opposition and so on.

Apparently this new interpretation that people have followed is based on a ruling given on June 7, 1985. During the debate on the Meech Lake Accord on that day, following the comments of the then Leader of the Official Opposition, the right hon. member for Vancouver Quadra, the then Minister of Justice rose and asked if he could ask a question. The Acting Speaker ruled that a question could not be put. He ruled as follows: "The first three speakers have unlimited time and I believe those who have unlimited time do not have a question or comment period, in accordance with Standing Order 35(1)."

Standing Order 35(1) is now found in two Standing Orders, Standing Order 43 and Standing Order 74. Standing Order 43 begins: "Unless otherwise provided in these Standing Orders—" and proceeds to define the question and comment period that follows speeches during motions.

As I have just explained, it is otherwise provided in the Standing Orders that such a provision is made for the budget speech specifically.

Point of Order

• (1130)

I am not certain it was the intention of the House in adopting the changes which created comment and question periods that ministers of the Crown, the Prime Minister and the Leader of the Official Opposition would be protected from any rebuttal in the House. Certainly the first comments of a Speaker on these changes made no such clarification or qualification.

The Speaker of the day, Madam Speaker Sauve, said on January 17, 1983, as the rules were adopted on a one-year experimental basis only:

> The first—is a fundamental one which will directly affect the debating practices of the House. The introduction of a 10-minute period during which questions may be asked and comments made concerning the speech of the hon. member who has just spoken is likely to bring about a radical change in the way in which our debates are conducted. The 10-minute periods will be available to members during most key debates, including those on the Address in Reply to the Speech from the Throne, the budget, allotted days and the second and third readings of bills.

Madam Sauve in her position as Speaker referred to no qualifications on the ability to pose questions following the speeches of our House's most important and prominent members.

In conclusion I would like to address why such questions should in fact be permitted.

First, it is a question of accountability. In the British Parliament there is a tradition of giving way which allows members to gain the floor briefly and rebut misleading or ambiguous statements in one another's speeches. This giving way has its own protocol but is extended to all ranks in the House; front benches as well as back benches.

Second, there is the question of fairness. Under the current interpretation there is no rebuttal to the speeches of the leaders or the first speakers of the government and Official Opposition, but other opposition members are quite properly held accountable through a question and comment period. We accept that minority parties are deprived of many of the privileges of the other two parties, but I ask whether this is a justifiable inequity.

In conclusion, I ask that you review, Mr. Speaker, my comments and then inform the House before the delivery of the budget later today whether or not questions will be permitted as provided for in Standing Order 84(7).

Mr. Speaker: The hon. member for Kamloops has raised an important point of order. I think that it would be best to consider carefully the points the hon. member has made.

Is the hon. parliamentary secretary seeking the floor?

Mr. Cooper: Mr. Speaker, we on the government side did wish to intervene, but I will yield the floor to my hon. friend from the Liberal Party to give him a chance to make his argument.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, since we had notice of the intention of the hon. member for Kamloops to raise this matter, I have had an opportunity to review some of the authorities, some of which he cited and other which appear in the Annotated Standing Orders, to assist the Chair in making a ruling on this point.

Without reviewing in detail the precedent raised in the 1983 Address in Reply to the Speech from the Throne debate raised by the hon. member for Kamloops, I want to deal with the more recent precedents. There are four I have been able to find that deal with this issue.

The first was on March 27, 1985. In looking at this I ask Your Honour to bear in mind that Standing Order 84(7) is virtually identical in its wording with three other standing orders: Standing Order 43, Standing Order 74 and Standing Order 50(2) in so far as they deal with the question of questions and comments following speeches.

The words of the rule in my submission are quite clear. I think that the four precedents I am about to cite support the interpretation. I stress the words, particularly in French, because perhaps they are clearer than they are in English. If you do not mind, Mr. Speaker, I will quote the French reference in Standing Order 84(7), which states:

[*Translation*]

> No Member, except the Minister of Finance, the Member speaking first on behalf of the Opposition, the Prime Minister and the Leader of the Opposition, shall speak for more than twenty minutes at a time in the Budget Debate. Following the speech of each Member—

[*English*]

Tout député, in other words refers to those members who are included in the rule, not the ones excluded. The reference to *aucun député* at the beginning of the rule and *tout député* afterward in my submission means those members included in the rule, not those excluded by the words. Every one of the rules I have cited, that is Standing Orders 43, 74 and 50(2), are written in the same way in English and in French. However, the use of those words in French, I submit, bears out the interpretation I think is intended to be given to the English rule; that is to say, the rule applies to all those members except the ones excluded. That interpretation has been followed through in my submission very consistently, aside from the 1983 precedent.

I refer Your Honour to March 27, 1985, as reported at page 3423 of *Hansard* for that day. The question under discussion was second reading of a bill under what is now Standing Order 74.

The question arose as to whether any questions could be asked of a person who had made a 40-minute speech permitted under that rule; one of the speeches usually made by the mover of the motion, the first person speaking on behalf of the Official Opposition and the second person speaking for another party in opposition. The Acting Speaker on that occasion, the hon member for Edmonton North said:

> Under Standing Order 35(2) you are entitled, if you are going to be speaking for the party, to speak for 40 minutes. There are no questions for the first three speakers.

Subsequently, on June 7, 1985, as reported at pages 5550 and 5551 of *Hansard*, there was a debate proceeding on a motion to amend the Constitution. I think my hon. friend from Kamloops has referred to this already.

On page 5551, following the speech of the right hon. Leader of the Opposition, there was a question raised as to whether or not questions and comments could be put to him. The Acting Speaker, the hon. member for Edmonton North, a member of this House today and also one of our Acting Speakers, said:

> May I just have the floor for a minute? The first three speakers have unlimited time and I believe those who have unlimited time do not have a question or comment period, in accordance with Standing Order 35(1). After that, there are 20-minute speeches plus the question and comment period.

It so happened that there was a continuing discussion among the members at the time, but that was the ruling of the Chair, however brief, on June 7, 1985.

Following that, on April 9, 1986 the Competition Tribunal Act was under discussion in the House. The question of questions and comments came up again following the speech of the right hon. Leader of the Opposition. The Speaker said, as reported at page 12053 of *Debates* for that particular day:

> It is entirely up to the right hon. Leader of the Opposition, but our practice has been that those speakers who have unlimited time have not been subject, under the rules, to the 10-minute question and comment period.

Subsequently on June 22, 1987, as reported at pages 7477 and 7478 of *Hansard*, there were further comments made in respect of this matter following a speech by the right hon. Prime Minister during the debate on capital punishment.

The hon. member for York Centre rose on a point of order and said:

> Every member who speaks on this resolution is subject to being questioned by other members of the House after he concludes his remarks. I realize that under the rules the Prime Minister is exempted from that requirement. However, he is participating in this debate, which is not a government measure and which requires a free vote. He is participating as a private member.
>
> Therefore, I wonder if he might agree and there may be unanimous consent to have the normal question and answer period that is applied to all other members.

There was not unanimous consent. The Speaker went on to comment on that intervention and he said, as reported on page 7478 of *Hansard*:

> I think in the interests of informing all hon. members and the public which is watching and listening to this debate, that it should be made very clear that under the rules, for party leaders and the right hon. Prime Minister, there is no mandatory provision whereby the usual following 10 minutes of questions and comments would be directed at the right hon. Prime Minister, unless of course it was with the unanimous consent of the House. I think it is quite clear that there is not unanimous consent.

Those are the precedents which I think support the proposition that what we have in the argument put forward by the hon. member for Kamloops is an argument which might be better put to a committee studying the rules.

Point of Order

• (1140)

While it may have been the intention of the framer of the rule to have it interpreted this way, it certainly has not been so interpreted in accordance with these four authorities. It certainly has not been interpreted that way during this Parliament since the election of 1988. Indeed in my experience the interpretation has been consistent with the authorities I have cited.

It seems to me that what the hon. member for Kamloops is asking the Chair to do is to change the interpretation of Standing Order 84(7) to make it at variance with the interpretation of all the other similarly worded rules in the Standing Orders without going through a change to the rule. I am not sure that such a change would in fact be agreeable to members of this House.

Speaking for the Opposition, I suggest that the consistent practice has been not to permit questions and comments following the unlimited speech times provided for in the rules or after the 40-minute speeches provided for in Standing Order 74 on second reading of a bill.

Given the consistent practice in that regard, I suggest that Your Honour ought to continue to follow that practice for the budget debate that will be starting presumably tomorrow, if not later today, depending upon when you consider it to have begun.

I would ask that Your Honour rule that there are no such question and comment periods following the unlimited times, and that if the hon. member for Kamloops wishes to pursue the matter further he should raise it with the Standing Committee on Elections, Privileges, Procedure and Private Members' Business.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, I do not intend to spend a great deal of the time of the House in going through this point of order. I have listened with care to the arguments made by the hon. member for Kamloops and the member from Kingston.

I think most of the precedents, if not all of them, that I would have referred to in my argument have been covered. The precedents are very clear. Certainly the most recent precedents under which we have been operating for the last five or six years are very clear that there is a pattern in this area. That pattern is that the first two speakers, those who are exempted from the 20-minute rule, are not subject to a question and comment period to follow that speech without the consent of the House.

There are two points that I wish to make in that regard. First, in looking at the Annotated Standing Orders we see that they are a summary of the Standing Orders with some explanatory notes. Those explanatory notes are a collection of experiences and applications of those particular Standing Orders. Reading from page 270 of the Annotated Standing Orders, we see that the last paragraph in the explanatory notes regarding Standing Order 84(7) states in part:

> This section also provides for a 10-minute question and comment period, which has been interpreted to mean that no questions may be directed to the members who have been exempted from the 20-minute time limit.

The Annotated Standing Orders, which as I say are a summary not only of precedent but of practice, are very clear that the practices and methods we have used in the House on this question have very much set a pattern which says that there should not be questions after these two major speeches.

The second important point is that on looking through the precedents which have already been described it is very clear that the patterns and the habits which have been emerging are that in cases where this matter has come up there has been a request for unanimous consent.

I would argue that when there is a request for unanimous consent it is because the Standing Orders we are operating under do not provide for that particular action. In other words, we have to go outside those rules in order to accomplish what the particular individual would like to accomplish at that moment. That is why someone has to ask for unanimous consent.

That pattern has emerged so clearly over the years that it once again demonstrates very forcefully that Standing Order 84(7) does make it clear, has been interpreted as such, and has been practised as such that the Prime Minister and the first member speaking on behalf of the Opposition are exempted from the question and comment period.

As I said, I do not want to go through the precedents. They have been well put forward by the hon. member from Kingston. I do not need to repeat them.

The practice is very clear. Our Annotated Standing Orders are very clear. As a result the practices we have been using for the last five or six years which have demonstrated a very clear pattern are the practices that we need to continue in the future.

I would like to refer to the Lefebvre committee which was the committee that first started this process of having questions and comments. I was a member of that committee in 1983–84 when the practice was first introduced. Very shortly after we found that there was a habit developing in the House of not applying the questions and comments to the speeches made by the Prime Minister or the first speaker for the Opposition.

I mention that because following the Lefebvre committee very closely was the McGrath task force which made major recommendations in terms of changes and reforms to the House. I also served on that committee. As I recall—and I am going from memory and not from a document that proves my case—the McGrath task force did not in any way try to change that practice which was already emerging at that particular point.

I think we have precedent and practice. There have not been any changes recommended by either the McGrath task force or the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. It is very clear that we should continue with the practice we now have, that is if someone wishes that to happen they should ask for consent. Then the government, the Opposition or the individual member speaking, at that point has the option of whether or not to accept it. It is not, as I believe is the very clear practice of this House, to allow those questions and comments under the present rules.

Mr. Speaker: Is there any further reply from the hon. member for Kamloops?

Mr. Riis: Mr. Speaker, the case has been well put by my hon. colleagues. I ask however, as I pleaded in the latter part of my presentation, that you give some thought to equity, fairness and justice in the House, particularly as reflected in the Mother of Parliament where front-benchers and back-benchers are treated in a similar fashion. There are no privileges extended to selected members of the House, but those same privileges are extended to all members.

Mr. Speaker: As I said a few minutes ago, it is a very interesting point the hon. member for Kamloops has raised. I have listened carefully to his comments. I also listened to the hon. member for Kingston and the Islands and the hon. parliamentary secretary.

The argument put forward is such that I think it is appropriate to reserve on it. I shall try to return to the House with some guidance for the House at three o'clock.

I want to thank the hon. member for Kamloops for presenting an argument which was extremely clear and well enunciated. I thank other members for their interventions.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Monday, February 12, consideration of the motion of Mr. Bouchard (Roberval) that Bill C-26, an act to amend the Railway Act (grain and flour subsidies), be read a second time and referred to a legislative committee; and the amendment of Ms. Clancy (p. 8227).

• (1150)

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, it is a pleasure to join in this debate today on Bill C-26 and to speak to some of the comments that have been made previously. The member for Moose Jaw—Lake Centre, a member of our caucus, has done an outstanding job on the debate on Bill C-26.

I would like to review some of the arguments that he has presented and talk about the impact that this legislation is to have on Atlantic Canada. It will compound the problems that exist in the fishing industry there, as well as add to all the problems that this government is causing for that region of the country.

Just before getting into my comments I want to survey some of the research I have done on this matter and to refer to some of the reading I have been able to do. I really wish to compliment again the member of our

caucus who has really led the fight on this particular legislation.

I would like to take a look at some of the work that has been done in this regard. Madam Speaker, I know that you would be most interested in doing that. In particular I would like to refer to the headlines, which is I guess how Canadians find out about what we are doing in this place. One headline in referring to the National Transportation Agency states "NDP Critic Asks the Agency" to review this matter. He caught them off guard. That is the kind of good work we are doing in this area.

Another headline states "Subsidy Being Cut and Elevator Closing". Here is a good one. Like all members in this House we like to have stories like this one written about us from time to time: "The MP from Moose Jaw—Lake Centre is making waves in New Brunswick".

The reason he is making waves in New Brunswick is that once again this government is bringing in the kind of bottom line mentality legislation that is having an impact on the Atlantic Canadian region, as well as on other areas.

We can put this matter back to back with the debate we had just last night on legislation that is going to help the wealthy. It is interesting as well to see the position that the Liberal Party takes on this matter. As you know, Madam Speaker, it would appear that it has given up on the fight on the GST. Liberal Party members have no position. They are not even sure what that is.

Some hon. members: Oh, oh!

Mr. Gardiner: It will be interesting to see just what position they take on this particular legislation.

We have them excited again, as we did yesterday. We woke them up. The Liberal Party as we know has been following the practices that the Conservatives are now implementing.

Let us take a look at what Bill C-26 is all about. First, I would like to give a little background. This bill is commonly referred to as the at and east freight assistance program which pays a subsidy to the railways on export grain and flour moving via specified routes through eastern Canadian ports. The rates paid by the shipper have been frozen since 1960 with respect to export grain and since 1966 with respect to flour.

The notes are very interesting. If members need them after to do some work on this subject I would be pleased to provide them with a copy. Let us look at the history of this legislation, Bill C-26.

When the railways wished to increase their rates in the 1960s, it was then argued—I bet it was even argued by the Conservatives at that time—that increased rates would price Saint John and Halifax out of the market. It was thus felt important to maintain rates at a fixed level so that eastern rates would remain competitive.

The beneficiaries of this particular legislation were Halifax and Saint John. Here are some interesting statistics concerning this matter. Of all grain moved from Saint John, 95 per cent moves under Bill C-26, the at and east program, while 67 per cent of grain moved through Halifax moves through the at and east program as well.

With respect to flour, virtually all flour moved through the two ports moves at the at and east rates. Flour amounts to approximately one-third of all general cargo handled at Halifax and 7 per cent of general cargo at Saint John.

What is the cost? It is a subsidy, and we all know what the Conservatives think about subsidies. They will cut them wherever they are needed and then, as the member from Kootenay West said so clearly last night in the debate on Bill C-52, they will argue: "We have to make things fairer. We have to do away with that evil universality. We must take from those people who do not need it, and let us make sure that the people who are poor and are in need get some kind of assistance".

What do they do? They introduce Bill C-52 which helps the wealthy. Yet, what are they doing in this case? They are cutting a subsidy which costs about $32 million a year as calculated by our researchers who have spent a considerable amount of time looking into this matter. In Bill C-52, the bill we debated last night, what are we giving to the wealthy? Hundreds of millions of dollars.

Let us see who depends on this subsidy for help in this particular market area and in terms of these transportation costs.

The Halifax—Darmouth Port Development Commission stated: "The economics of grain traffic at the port in 1988 amounted to $25.9 million in revenues and 263 jobs while flour traffic resulted in $28.4 million in revenues and 220 jobs".

The Saint John Port Corporation states that the movement of bulk grain through its port in 1988 under the program amounted to $8.5 million, along with 90 direct jobs. In addition to the 573 direct jobs lost at these two ports, another 250 indirect jobs may be lost as well.

What will this mean? It will compound the problems that this government is already adding to Atlantic Canada: the fisheries problem, VIA Rail cuts, ACOA's shuffling of money and the shim-sham there.

The loss of the at and east program likely means the closing of the elevator at Halifax and almost certainly the elevator at Saint John meaning further jobs lost. The reason the loss of the program is so devastating to Saint John is that its elevator can only accept grain from railway cars and has no facilities to unload ships. It is going to worsen the situation already existing at Saint John.

If the elevator in Halifax closes, it threatens the future of the Dover Flour Mills. It is the only flour mill in Atlantic Canada. The Conservatives think that nobody knows what Bill C-26 is. They say: "We will sneak that one through". What usually happens is that the people who are directly involved in any of these particular industries or the supporting infrastructure quickly learn just what the impact is of a sneaky bill like this.

It is only through the diligent work of members of this side of the House, especially the member for Moose Jaw—Lake Centre who has really been leading the fight against this legislation, to stop it that we can bring to the attention of this House all of the problems involving the resulting gains and losses if in fact it gets through this House.

Who are the winners? With the Tories and the Liberals it is always the wealthy, the better off, those corporations that can afford to pay $1.7 million for their leadership campaigns.

The winners in the loss of the at and east are central Canada, primarily Montreal, as well as the ports in Ontario.

There is a question here that was raised in previous meetings I have had. It is: Let us take a real look at the subsidies. We are not suggesting that you shut the St. Lawrence Seaway down. But if they are talking about subsidies, let us see what goes into keeping the Seaway going. It is the same kind of argument that supporters of VIA Rail have made.

• (1200)

The government states: "We are subsidizing it to the hilt. We can't do this. We'll do a lousy job just like the Liberals did and we'll shut it down". Of course, if you take a look at the subsidies to airlines with airports and maintenance at airports, then you have a true picture. That is the same situation that we are going to get with this particular legislation.

This government, and I am also familiar with our provincial government in British Columbia, would be satisfied to shut almost everything down, put an 800 number in and run the country from Ottawa, or in the case of the Social Credit government in British Columbia from Victoria.

That is the kind of bottom line mentality that you end up with with these types of governments. I do not know if they really and truly understand the effects of the legislation that they try to get through this House from time to time. They should spend more time talking to constituents, the people who work in the jobs in the resources and in the industries in this country to get a better understanding of the impact that they are having.

The removal of at and east likely means a loss of elevators at Halifax and Saint John. They are all-season ports in eastern Canada. We know how important that is to our trade in this country. It will have an effect of further crippling the regions of Canada to the benefit of central Canada. We should try to ensure in this House that we spread those benefits a little further. There is not a region that I can think of that is probably in more need of attention now than it has ever been, namely, Atlantic Canada.

It also shows that Canada is really quite spineless in international trade negotiations. While the U.S. is increasing agriculture subsidies in order to corner some traditional Canadian markets, we have moved toward unilateral disarmament by cutting subsidies to the regions that need them the most. Canada has yet again knuckled under to U.S. and European pressure. It is

another example of the failure of this government in its trade and economic policies.

As the debate continues on this legislation, my colleague, the hon. member for Moose Jaw—Lake Centre, will bring this issue to Parliament to the attention of all Canadians. He will be working hard, as will all members of this caucus, to ensure that the issues are brought forward, that we do our best to bring some equality to this country and help to those regions that need it. It helps to develop our resources and our industries.

Certainly our caucus will keep up the fight on Bill C-26. We will see whatever the Liberals do on this. We are not sure, given whatever kind of strategy they have right now on the GST and Bill C-52 but we are trying to get a reading of it. I hope they will join with us in fighting this legislation.

Mr. Harvard: I find the remarks of the hon. member from British Columbia very interesting. He seems to be very concerned about what the Liberals might do. The Liberals have been fighting for this country a lot longer than the New Democrats. When it comes to cutting regional programs in Atlantic Canada, central Canada, western Canada you can be sure that the Liberal Party will be there. We do not have to be concerned about the NDP. I can assure the hon. member for British Columbia that he does not have to go through any sleepless nights. The Liberal party will be here standing up for the regions of the country.

Despite the fact that the member has made some irresponsible remarks, particularly with respect to the Official Opposition, I do have a question for him and I hope that he has an answer.

He has been expressing concern about the effects of the at and east subsidy elimination. I would like to know from him—because the NDP is always concerned about workers and jobs—what effect this might have on jobs in Atlantic Canada, in western Canada and in central Canada?

Mr. Gardiner: Madam Speaker, I have enjoyed the debate of the last couple of days because the Liberals to our right are very testy these days. I appreciate the opportunity to respond to some of the questions that they have.

Mr. Gauthier: We are 51 in the polls. You are only 21. Who is testy?

Mr. Gardiner: Well, let me respond in detail. I think that proves my point about who is being testy and who is not.

I enjoy sitting beside the member from Winnipeg from time to time on our flights to the west. He talked about regional programs. Well, let me tell you, Madam Speaker, about one regional program and where the Liberals do or do not stand, depending on the time of day. For example, forestry. In the 1984 election campaign, the Liberals then Leader, the one who just resigned, came to the minister's and my home town in northern British Columbia and said that he was absolutely against a full-fledged department of forestry. Then he tried to make a landing during the last campaign and of course he was fog-bound like the Liberal Party usually is.

If we are going to talk about regional programs, let us talk about something critical. Let us talk about education and post-secondary education. Which government was it that through its six and five program lifted the requirement that spending money on education, post-secondary education and health care had to be spent on that matter in the provinces which received those funds? Ultimately, it is the Liberals who are responsible for letting Socreds pave the Coquihalla Highway with money that should have been spent on education and health care in B.C.

The concerns that we have with Bill C-26 are the obvious loss of jobs that have been outlined by our critic. He has now listed the number of jobs in Atlantic Canada that will be lost. Through a coherent transportation policy adopted by New Democrats, we can ensure that jobs in Atlantic Canada are preserved and that we have a rational shipping policy that equals all of the concerns across the country.

Mr. Milliken: I am provoked by the hon. member's comments to participate in this debate and make a comment to him.

I am delighted to see the New Democratic Party, which has no representation whatsoever in Atlantic Canada, taking this new found interest in the eastern part of our country. I think that it is fair to say that the members in the New Democratic Party represent a western rump. It is a well-known fact that their inability to get seats in Atlantic Canada is reflected in the fact that they now stand here trumpeting day after day their concerns for the problems that are besetting that region of the country, thanks to the hon. members opposite who have botched their attempts to salvage what they can from the

financial and economic mess they have created in eastern Canada.

Having said that, I think that what we need to look at is the fact that the voters of Atlantic Canada are extremely astute. If the hon. member would take the time to look at the polls, he would see that the voters there have indicated a preference for the Liberal party. That was reflected in the last campaign and no doubt will be reflected in the next campaign. The Liberal party was paced at 47 percentage points ahead of its nearest rivals, the Conservatives. The New Democratic Party is trying to jump on this Liberal bandwagon. It feels that by opposing these bills to which we have already announced our opposition that it can benefit somehow from the phenomenal rise that the Liberal party is experiencing across Canada.

We in the Liberal party are delighted to have the support of the New Democratic Party in our opposition to government measures. We recognize, as they do, that the voters would not normally bother to elect them if they had a reasonable choice. We know that the hon. member who just spoke, and to whom I address my comments, is elected from the province of British Columbia. He was just citing to us the difficulty the electors of British Columbia have. They elected a Social Credit government. Well, it is the only province in Canada that made such a silly mistake.

• (1210)

We in the Liberal party offer an alternative across the country. The hon. member is an example of the problem that the electors of British Columbia have in saying they always want to jump on the Liberal bandwagon but do not quite manage to do it when it comes to votes. I know that the member would want to invite them to vote Liberal the next time so that they can get in the true opposition spirit to oppose Conservative government policies. He knows that we have opposed those policies. He knows that we are leaders in opposing those policies and Canadians know it too, as reflected in the polls. I invite the member to comment on that.

Mr. Gardiner: I appreciate the question from my hon. friend on Bill C–26. First, what is it that is an indication and a sign to Canadians in any part of the country that a political party in this House is concerned about a particular issue? What do we do within our own caucuses? We try to work within our caucus to convince our leader to know and get to understand those issues. Which leader was in Canso just a few days ago expressing the concerns of Atlantic Canadians? Audrey McLaughlin, the Leader of the New Democrats was there recognizing the importance of that issue.

The Liberals do not have a leader. The hon. member is so confident. Those who live by the polls die by the polls. We will see in the next election campaign just where the polls are sitting when Canadians finally see just what the Liberal party's position is on the GST, on Bill C–26, on helping the wealthy with Bill C–52, really what their position is on free trade.

This debate and the news this morning really struck a chord with me. The lead item on the news was how a baffled Liberal MP wandered into a finance committee meeting last night. Where is their participation? If that keeps up, we know where they will be in the polls very shortly.

I cannot sit down without making the comment to friends in my party and members of the public that Atlantic Canada has been kicked around by Liberals and Conservatives year in and year out. People ask me why do they still vote for Liberals and Conservatives. I think a change is in the wind. We are going to see a change. In the next election campaign, the people of Atlantic Canada will know who their friends are. They will know who is fighting the GST, they will know who is fighting the VIA Rail cuts and they will know who is taking a leadership role on Bill C–26, Madam Speaker, and you will see what the results are in the next federal election.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, after listening to the nonsense from the hon. member from British Columbia the last few minutes, I wish to heaven that the New Democrats would come to realize who the political enemy is in this Chamber and in this country. They are not on this side of the House, they are over there and Canadians well understand that. All you have to do is look at the last poll. The Liberals are over 50 per cent in popular support, and there are the New Democrats down with the Tories at 22 per cent and 21 per cent. Canadian people understand that but certainly the New Democrats do not.

It is indeed an honour for me to take part in this debate to address the matter that is before us, Bill C-26. I must admit that I feel some unease, I feel considerable trepidation because what we are dealing with here is Tory legislation. We know what Tory legislation has come to mean. I shudder to think what is going to be coming down the pike this afternoon at approximately 4.30. After five and a half years of Tory mismanagement, I can just imagine what is going to be in the budget document. But we will leave that for another moment.

I will not go into the history of the at and east subsidy at this particular time. Other members have done a very good job of that. The at and east subsidy had the effect of freezing rail shipping rates for grain at and east of Buffalo, New York and to eastern ports at 1960 levels for grain and 1966 levels for flour.

However, I think it is noteworthy to mention something that was said by the hon. Jack Pickersgill in 1966 when this particular legislation was under consideration. The then transport minister stated: "One of the aims of the subsidy was to ensure that we will have rates which will provide some inducement and incentive to shippers to use the facilities of Atlantic ports."

This is significant because it was seen then for what it really was and that is a regional program—and I want to underline that—a regional program. It has served the regions of the country well, not just the Atlantic region, although I would say particularly the Atlantic region, but also parts of Ontario as well as the grain growing areas of western Canada.

Despite the success of the program, despite the fact that regional programs in Atlantic Canada have already been cut 39 per cent in the past five years, despite the fact that Atlantic Canada is going through some very, very tough times right now, especially with respect to the fishery, despite the success of the at and east program which has been very important to the agricultural industry of this country, like so many other programs it has to be sacrificed.

Why? Because it does not fit the Tory agenda. It does not fit the Tory right wing economics. It does not fit the Tory market economy. It does not fit the Tory law of the jungle, and it does not fit the Tory withdrawal from almost everything that has made this country great. So the at and east subsidy has to go because Tory theology says it must go, and so it goes.

It really does not matter what Canadians might say. It certainly does not matter what farmers might say or what port workers, mill workers or elevator workers might say. They really do not count. It only matters what Tory ministers say. The Tory ministers say that the at and east must go. In fact, the Tory ministers do not give a hoot about what is said in this House. The minister who opened second reading debate stated: "The subsidy was terminated on July 15, 1989." That is a direct quote from *Hansard*. How do you like that? The purpose of this Bill C-26 is to end the subsidy, but the minister says it was terminated last July 15.

Therefore, I ask the question, why are we here today? Why are we wasting our time? The government has already decided the subsidy is already terminated. We have been presented with a *fait accompli*. That to me is disgusting, for this is the purest form of contempt, contempt for Parliament, contempt for members of this House, contempt for the democratic process, and contempt for the Canadian people. The subsidy was terminated on July 15, 1989. I want to repeat that so that it really sinks in: the subsidy was terminated July 15, 1989.

It takes a particular brand of arrogance to say something like that, to do something like that. But of course we already know that Tory arrogance knows no bounds. There is really nothing new about it.

I want to remind you, Madam Speaker, of something else that this government did back in August, 1989. The Department of Finance placed two full page ads in major newspapers across the country which stated: "On January 1, 1991, Canada's federal sales tax system will change. Please save this notice."

• (1220)

Without a word of formal debate in this House, the government had the arrogance to tell the country that Canada's federal sales tax system will change. "Please save this notice". That, to me, was arrogant. It was in contempt of this House and it drew a rare rebuke from the Speaker of this Parliament.

But this government, it seems, Madam Speaker, never learns anything. This time it tells us that, as far as the at and east subsidy is concerned, the subsidy was terminated July 15, 1989.

I want to pick up on something else the minister said, referring to the bill. "It will stimulate creativity and innovation. It will allow the industry to take advantage of unanticipated sales opportunities, no longer constraining potential cost savings".

I would like the minister to tell that to the 1,200 workers who hold jobs connected with this legislation. Tell that to the 320 transport workers and the 295 who hold milling jobs in western Canada, the 75 who hold jobs in Georgian Bay ports, the 85 who hold jobs in Halifax and Saint John, and the 402 who hold jobs in central Canada. Maybe the minister would like to tell her story face to face to these workers. I am quite sure that she would get an earful.

Why should we believe anything that this government tells us, for nothing ever works. Nothing it promises comes true. Remember all the big talk when it came to power nearly five and a half years ago. It was going to clean up the economy, and of course it promised not to touch any social programs. But here it is 1990, and the country, particularly its economy, is in a mess. Inflation is on the rise, unemployment is on the rise, interest rates are shooting through the roof. Never before have we seen such a spread in interest rates between Canada and the United States. The debt has doubled in five and one-half years. Our trade surplus is the worst in 10 years, and we are taxed, taxed and taxed. Come 1991, if the Tories get their way, we are going to get hammered again with the so-called goods and services tax.

The Tories have hacked VIA Rail. They have privatized unemployment insurance, and they have ended universality through that iniquitous thing called the clawback.

The government says it will save $40 million or $60 million by killing the at and east subsidy. I submit that this cannot be seen in isolation. I must remind members of other cuts in last spring's budget. I know it is painful for the Tories to hear, but I think it bears reminding. Two hundred million was cut out of crop insurance, $48 million cut out of rail line rehabilitation, $54 million cut out of advance payments for grain, $15 million cut out of the Farm Credit Corporation, $12 million cut out of the Canadian Dairy Commission. Cut, cut, cut and cut some more; $399 million in all in farm support programs gone. Just like smoke in the wind. It could not come at a worst time.

Farm income is expected to drop 39 per cent across the country this year. That old saw about Tory times are tough times comes particularly true in the year 1990. It seems that the Tories are bound and determined to keep on hacking, slashing and cutting, even if it does not make any sense.

Look, if you will, at their priorities. They want to kill at and east and save a few million dollars, after raising the alcohol and tobacco taxes $475 million in the last budget. In the meantime, they will not go after over 100,000 corporations which do not pay income tax at all, corporations which earned in total $25 billion. One really wonders where their priorities are.

However, the Tories will ride herd on farmers, port and mill workers. Under the at and east rates, the Atlantic region has proven to be a good market for western producers. Look at the figures. Last winter, the Canadian Wheat Board moved more than 175,000 tonnes of grain to ports in Halifax and Saint John, but it is more like 400,000 tonnes a year.

With the at and east subsidy gone, Atlantic Canada will have to look elsewhere for its purchases. It does not have a choice, for what we are talking about here is a matter of survival. Producers in Atlantic Canada cannot supply their own market. They account for only 20 per cent of Nova Scotia's requirements, 35 per cent to 40 per cent of New Brunswick's, and I believe it is about 80 per cent for Prince Edward Island.

The withdrawal of the at and east subsidy will place an enormous burden on livestock and poultry producers in Atlantic Canada and, of course, it will rob western farmers of one of their traditional markets.

Atlantic Canada cannot be expected to take this lying down. They are tough people there and they are not going to take it lying down.

Consider, if you will, what the Atlantic Provinces Transportation Commission is proposing. It has come up with three possible options to offset the effects of the loss of the at and east subsidy.

First, importing barley, wheat and oats from France and other European countries. These countries would be able to supply the east coast at cheaper prices than those from domestic sources. That is certainly not good news for western Canada. The second option proposed by the Atlantic Provinces Transportation Commission is asking the federal government to drop its countervail on American corn. The third option is the use of unit trains to

move grain directly from the prairies to the ports of Halifax and Saint John.

In the perspective of the Atlantic provinces, I am sure those proposals make a lot of sense, but from a federal perspective they show just how foolish the federal government is in cancelling the at and east subsidy. Why would anyone want to drive Atlantic Canada to the European markets to buy supplies when those supplies are already available right here in Canada and that has been going on for years and years? Why would anyone, through government policy, want U.S. corn to be bought which would only place farmers at a disadvantage in this country? There is something terribly wrong with this. It makes one wonder whether the government has gone completely mad. It is as if the government has taken a huge knife and cut the country in half. It is as if it wants to break the bonds that tie our regions together and drive them into the arms of our competitors.

There is nothing in Bill C-26 for national unity. There is nothing for Halifax, nothing for Saint John, nothing for any part of Atlantic Canada. There is certainly nothing for anyone except ideologically driven Tory ministers who are hell-bent on wrecking venerable Canadian institutions and venerable Canadian programs, programs which over time have proven their worth and value, but they have to go. That is what Tory ideology says and that is what Tory theology says.

Let me point out that these cutbacks, and this one in particular, are coming at time which could not be worse. It is a time when the Americans, our competitors, our adversaries in the marketplace, are putting in place a $900 million export subsidy program. That will not help us. That will help American farmers. Can you imagine how absurd the situation is. We are going absolutely in the wrong direction and farmers are left completely vulnerable because of government policy.

• (1230)

When you think about it, it all fits a pattern. The Americans raid our traditional grain markets and make it more difficult for our pork and beef producers to gain access to the U.S. market. On the other hand, the Americans are demanding that they flog their ice cream and yogurt in our markets.

What does our government do to counteract this? It cuts farm support programs by $399 million in the budget of last spring. It takes oats away from the Canadian Wheat Board. It has threatened the supply-management system in the country and those of us who are most pessimistic, particularly if this Tory reign goes on much longer, believe there will not be a supply-management system left in this country.

Is it any wonder that we are deathly afraid of what might happen in the subsidy negotiations in the next few years? Will there be anything left? Can you imagine a worse fate than leaving subsidy negotiations in the hands of the people over there? Their idea of negotiation is to give things away. If an agreement is consummated that way, then it is a success. That is not success, unless success is measured in destroying programs and destroying institutions.

The Tory approach to tackling problems raises fundamental questions. What will they do when they finish selling off the family silverware? By that I mean, what will they do after removing the underpinnings of the farm community? What will they do after they finish privatizing unemployment insurance, decimating VIA Rail, closing rural post offices and ending universality? What will they do after their wrecking job?

When they discover after this decimation that there are still problems of disparity, of poverty, of inflation, and still problems of unemployment, what will they do then? What will the Tories do when they have given away the store completely?

Madam Speaker, there was a report in one of the weekend papers that in the coming budget—which will be delivered in this House in approximately four hours—the Minister of Finance would announce a sell-off of about $1 billion in federal properties.

I do not know if that is going to happen. If the government were to do that, it would suggest to me that Tory economic policy is just one step away from rigor mortis. We know that when the fellow begins to sell off properties, everything in the house and in the garage, and sell off all the tools, you know he is just one step away from bankruptcy. That is the status of Tory economic policy right now. After five and a half years of Tory rule, there is total and complete economic mismanagement.

I hope that the government of the day will rethink this position, particularly with respect to the at and east subsidy, go back to square one and consult Canadians, because they have some good ideas. We do not have to go through with this. I hope the government will consider some amendments when this bill reaches committee.

Mr. Laporte: Madam Speaker, I appreciated the hon. member's speech. In fact, it sounded like it was written by a social democrat.

Some hon. members: Oh, oh!

Mr. Samson: That's the way they are. They campaign like New Democrats and govern like Tories.

Mr. Laporte: Madam Speaker, I would like to make a comment and then ask the hon. member a question.

I appreciate his quote from Minister Pickersgill, who pointed out that contrary to the government's statement that this bill was originally put in place not so much to help Halifax and Saint John compete with American ports, but to aid those ports in competing with the St. Lawrence ports. That was the original purpose of this bill.

Early this morning the transport committee, of which I am a member, met with members from the Atlantic Provinces Transportation Commission. The government has ignored this bill for some eight months. This is only the second day of debate on it. I find it quite insulting that it would bring it up on the very day when the transport committee is meeting with people from the Atlantic Provinces Transportation Commission. We had to cut our meeting short in order to come to the House to debate this bill. It is just another example of how this government really does not give a damn about the maritimes or the at and east bill.

Some excellent presentations were made to the committee today. One of the presentations was by Dover Flour Mills, who are very concerned about this bill. John Doering pointed out on behalf of Dover Flour Mills and the milling industry that their concern with respect to this bill is not about competing with the Americans, it is competing with the St. Lawrence ports. Their problem in dealing with the the Americans is the enhancement program to which the Americans are contributing this $900 million. In light of that, I would like to quote from Mr. Doering's brief.

He does not even call it the free trade agreement, because they know there is nothing free in that agreement. He states:

> In light of the Canada–U.S. Trade Agreement we have agreed to move away from subsidies, but the U.S. agricultural sector which includes agri-business, will continue to be subsidized and benefit from a continuation of the Export Enhancement Policy which, more than anything else, has been and will continue to be the instrument of the destruction of the Canadian milling industry. That policy allows mills in the U.S. to run at full capacity while we languish at two-thirds capacity. Investment in production efficiencies or upgrading is unlikely to be considered attractive in the Canadian milling industry and, in this weakened state, we are asked to move aggressively toward competing for business in the U.S. against a very strong U.S. milling sector, who already have much lower wheat costs.
>
> Added to this, the U.S. mills have a transportation advantage as U.S. railways have a less restrictive tax regime and lower operating costs for fuel taxes.

That is an example of how the free trade agreement affects the maritimes. During the campaign and again in his speech, the hon. member has made some very interesting comments and has been very vocal against the free trade agreement. There is some concern with the Liberal leadership these days because of rumours that not everybody is opposed to the free trade agreement.

I would like the member to reconfirm that he, in fact, is opposed, if not to free trade itself, certainly to the free trade agreement, and that he will oppose this bill and any measures that are going to limit real free trade in this country.

Mr. Harvard: Madam Speaker, I thank the hon. member for Moose Jaw—Lake Centre. I can say to him and to this House, unequivocally and categorically, that I was against the free trade agreement in the election campaign and I remain against the free trade agreement.

Our former leader, the right hon. member for Vancouver Quadra, has said several times that when it comes to the free trade agreement he is on the right side of history. After only a year of that agreement in place, I believe he has already been vindicated. As time goes on, there will be more and more evidence that the free trade agreement is going to harm this country irreparably.

The hon. member for Moose Jaw—Lake Centre asked whether I was against the bill and if I would continue to be against the bill. The answer is yes.

I want to point out something that I did not mention in my speech a few minutes ago. It has to do with proposals put forward by the Atlantic Provinces Transportation Commission.

• (1240)

The commission has put forward a number of proposals. I will not go through them at this time, but it has been estimated that in totality the proposals put forward by the commission would have resulted in savings to the federal government of about $22 million in transportation subsidies each year, which by the way represents about half the cost of the at and east subsidy. One would think that the federal government, given its bent and penchant for savings and so on, would favour such a proposal.

The wringer here is that the Atlantic Provinces Transportation Committee has never received a formal reply to its proposals. Never. It makes one wonder. It seems that this government is more interested in just hacking and slashing as opposed to listening and responding to responsible proposals like, for example, those from the APTC.

[*Translation*]

Mr. Saint-Julien: Madam Speaker, I have a question for the hon. member for Winnipeg St. James (Mr. Harvard), who earlier referred to our government's poor management—

Mr. Gauthier: He is right!

Mr. Saint-Julien: I have to tell Canadians that we received this legacy from the previous Liberal government.

I would like to ask him the following question: Further to the Scientific Research Tax Credits Program which was—

Some hon. members: Oh, oh!

Mr. Saint-Julien: —introduced by former Minister Marc Lalonde—

Mr. Gauthier: Change your question, you asked that yesterday!

Mr. Saint-Julien: I would like to ask him the following question: The program is yesterday's news, but I want an answer today—

An hon. member: He didn't get the right answer to his questions!

Mr. Saint-Julien: Madam Speaker, I would like to ask him the following question: This program was supposed to cost 200 million dollars but ended up costing 3.5 billion. Furthermore, it ended up being—

Mr. Duhamel: The Conservatives took advantage of the program—

Mr. Saint-Julien: —1.9 billion in the red, because of funds that completely disappeared, both in Canada and outside the country.

Is the hon. member aware of this fact, Madam Speaker, and if so, is he prepared to table a motion in the House to ask for a royal inquiry on the program introduced by the Liberals which ended up with a 1.9 billion loss? We could have built 50 hospitals in this country for that amount.

Is the hon. member prepared to table in the House a motion requesting a royal inquiry on Marc Lalonde's program, Canada's theft of the century?

[*English*]

Mr. Harvard: Madam Speaker, I want to thank the hon. member for his question.

Show me a government that never made a mistake and I will show you a government that has never done anything. The fact of the matter is—

Some hon. members: Oh, oh!

Mr. Harvard: Do the Tories want the answer or not?

The fact of the matter is that yes, previous Liberal administrations tried things and they did not always work out to the best. Anybody who is honest will admit to it.

I will tell you one thing, Madam Speaker. Liberal governments never went out and deliberately destroyed a program. Liberal governments never went out and deliberately destroyed institutions, and that is exactly what this government has done for five and a half years.

If the government wants to hear the litany of programs and institutions that it has destroyed, I would have to be here all day. I just remind those members that they have decimated VIA Rail. They have gone after social programs despite the Prime Minister's solemn promise during the election campaign of 1984 that he would not touch social programs. He was not going to touch social programs. Was he in office two months or three months

before he tried to get his hands on old age pensions? Canadians slapped his wrists, and he stood back.

When the Tories were re-elected in 1988 they could not wait and brought in the clawback which ends universality, which will cut back and shrink old age pensions and family allowances.

I just want to remind the hon. member that yes, every government makes a mistake but the Liberal government never went out and deliberately destroyed programs and institutions that served this country well.

The Acting Speaker (Mrs. Champagne): Resuming debate. The hon. member for Egmont.

Mr. Joe McGuire (Egmont): Mr. Speaker, I rise today to speak on Bill C-26, a bill which amends the Railway Act by eliminating the at and east grain and flour subsidy programs. The intention to eliminate this program was indicated in the budget of April 27, 1989. The program was scheduled to end July 15, 1989.

I find it somewhat ironic that it is now February 20, and we are in debate on second reading of a bill which in reality has become law already. Second reading has not been completed. There has been no committee study. There has been no third reading. There has been no Senate approval. There has been no royal assent. Yet, Madam Speaker, the program has been eliminated, retroactive to July 16, 1989.

Unless I misunderstand the process, this current exercise is a charade. Parliament has been subverted by this government once again. However, since the question of privilege raised by my colleague in the NDP, the member for Moose Jaw—Lake Centre, is not yet ruled upon, I want to take this opportunity to add my comments to those of my colleagues who oppose this bill.

Since the budget of April 27 last, this government has launched an insidious attack on Atlantic Canada. Whatever the motivation or rationale, be it the infamous level playing field, or the free trade agreement, or some other matter, there has been a steady stream of measures which has laid waste the Atlantic Bregion of our country.

The litany includes the closure or reduction of six military bases. This has affected almost half the bases in the entire country. The worst incident, of course, is the closure of Summerside which killed 1,300 direct jobs, 1,300 indirect jobs, and is affecting one-third of the economic activity of the entire region of the province of P.E.I.

There are the changes to the unemployment insurance system. The increased number of weeks required to qualify will force many people on to the welfare rolls and the burden on the provinces will be increased.

The decision by the federal government to opt out of UI funding also raises a question of what will happen to the fund if a recession should occur and there is a need to increase available moneys as there was in the early 1980s. At that time the federal government kicked in the required money. What is the answer to this problem if it occurs in the 1990s, which is very likely to happen?

In addition, the unemployment benefits for self-employed fishermen are not protected by the UIC act changes. The government has the power to alter the benefit package or even eliminate the whole fishermen's program without consulting Parliament. The fishermen of Atlantic Canada, particularly those of Nova Scotia and Newfoundland, must find the situation very disconcerting.

Our fishery is in a state of crisis. When this major industry suffers it impacts seriously on the economy of the entire Atlantic region, but for towns like Canso, Nova Scotia, it is catastrophic.

I want to take this opportunity to congratulate my colleague from Cape Breton—Highlands—Canso for the excellent work he has been doing with the people in Canso and with the organization of the tremendous demonstration of Saturday past. The Friends of CFB Summerside were proud and happy to be able to participate and contribute to that success. I also offer him a word of encouragement from the people of Egmont and Summerside. If our experience can be of any assistance, we offer it to him with our full support.

Our railway services have also been abandoned. Prince Edward Island and some areas of the mainland have suffered a total loss of rail service, both passenger and freight. Rail service in other regions has been drastically reduced. This will have a crippling effect on our transportation system and will make it increasingly difficult to attract industries to Atlantic Canada.

To these and other problems in Atlantic Canada, this government has added the cancellation of the at and east grain and flour subsidy programs. This program, which has been in effect since the 1960s, was basically instituted to encourage exporters of grain and flour to use eastern Canadian ports. Grain shipped by rail from ports on Georgian Bay, Lake Huron, Lake Ontario and the upper St. Lawrence, as far as Prescott, to any port on the St. Lawrence from Montreal eastward, or to Saint John or Halifax is charged 1960 rates.

Flour shipped through the same ports from any port east of Thunder Bay is charged 1966 rates. The railways are reimbursed by the government for the difference between these rates and the actual present day cost of shipping the grain and flour.

• (1250)

The government estimates that by simply scrapping the at and east subsidy program it will save $40 million. I contend that this is a false sense of economy. Instead of being a legitimate deficit reduction measure, it is an effort to further placate the Americans by eliminating a program which for 25 years has contributed to the reduction of regional disparity in Canada. The fact that grain elevators in Saint John and Halifax and a flour mill in Halifax have flourished the past 20 plus years is due largely to the existence of the at and east program.

A 1984 Canadian Transport Commission report concluded that Canadian flour exports will be practically non-existent without this subsidy. This, of course, begs the question: what will the fate of our flour export industry be? What will be the fate of Dover flour mills in Halifax? What will be the fate of the mill workers whose jobs will disappear?

While I speak as a member for Atlantic Canada I want to point out that the at and east grain and flour subsidy contributes much more to the Canadian economy than simply jobs in the Atlantic area. Initially the program applied only to grain from western Canada. However, since the mid-1970s, Ontario export grain also qualified as long as it was received by water from Georgian Bay ports.

What has evolved is an integrated system of transportation and storage facilities as well as an efficient and orderly marketing process. The Canadian and Ontario Wheat Boards have worked together to provide both of these. Now the government has thrown out an efficient, functional operation. No thought has been given to the problems this would cause. No thought has been given to replacements or alternatives. This method of operation is consistent with other government activities.

I can give two examples. When military bases were closed, the government admitted no studies had been done to determine the social and economic impact of the closures. No studies were done to determine whether the decisions were militarily sound.

When the government passed its Advance Payments for Crops bill, which was supposed to do great things for Canadian farmers, it proved so unattractive in Prince Edward Island that the government could not find an agency willing to administer the program for the potato growers. By early January only two Canadian farmers had shown even a passing interest in the program.

We are well aware that the St. Lawrence Seaway does not operate year round. Consequently storage facilities are a problem. At present there is insufficient farm storage capacity. Country elevator storage is short term only. Lakeside elevator storage is short term. Since wheat harvest is completed in about four weeks, the first half of the crop must move to make room for the second half. Where will it go? Where will the second half of the crop be stored? Loss of the at and east subsidy will mean that storage at Georgian Bay terminals for future export will not be viable. Closure of the elevators at Port McNicoll and Georgian Bay have already been announced.

Saint John and Halifax are the only two ports in eastern Canada that can operate 12 months of the year. At present, at and east grain movements account for about 70 per cent of the grain exports from Halifax and almost all the grain and wheat exports from Saint John. Cancellation of the subsidy will kill this export trade as well as the 250 accompanying jobs.

The Canadian Transport Commission has stated that in the period of 1971-1981 the railway grossed an average of $33.5 million per year and maintained an average of 263 jobs. Cancellation will reduce revenues accordingly and cost the country at least 263 jobs. During the same period Georgian Bay ports earned average revenues of $1.4 million and provided an average of 75 jobs. As well, these will be lost. It is obvious at this point that termination of the at and east program will also cost millions of dollars because of loss of jobs and spin-off benefits. Without adequate storage facilities the producer must sell all his grain at harvest time. This kills the

concept of orderly marketing, lowers the return to the grower and diminishes farm profit margins.

I want to re-emphasize the detrimental effect this program will have on Atlantic agriculture. Feed costs are already considerably higher than those in central Canada. Any further increase will seriously jeopardize the viability of the livestock and poultry industries. My home province of Prince Edward Island grows 80 per cent of its feed grain requirements because it is part of the normal rotation of potatoes, grain and hay. New Brunswick, on the other hand, produces only 35 per cent to 40 per cent of its grain needs; Nova Scotia a mere 20 per cent.

We have a great need for reasonably priced Ontario or western grain to meet our requirements. At present we are legally obliged to buy our grain in Canada from Ontario or the west. Does the loss of the at and east subsidy foretell the end of freight rate assistance? Will we then have to buy our grain from other countries because it is cheaper? And will we be allowed to do so?

No one has claimed the at and east program to be perfect. Five years ago the Atlantic Provinces Transportation Commission proposed modifications. They did not even receive the courtesy of a reply.

I believe the whole problem of at and east comes back to the question of subsidy. What is a subsidy? Does subsidy mean one thing in Canada and something else in the United States?

Madam Speaker, the answer is obviously yes because the word subsidy is not in the American vocabulary, except when they are talking about Canada and when they are talking about the European Common Market. When are we going to know exactly what subsidy means as it applies to the free trade agreement? Does the so-called level playing field mean something different in Canada than it does in the U.S.? Obviously it does.

Our Minister of Agriculture went on record earlier this month saying that Canada does not like the U.S. decision to step up export enhancement subsidies aimed at getting American products into the European market. He also said, "We had hoped that the U.S. would not have had to employ the export enhancement program and that we could have scaled down the level of warring. But with the latest U.S. budget calling for an increase in the level of export enhancement, we know that this is a signal that the war might intensify." The minister is finally catching on.

In the same speech the minister expressed concern about the problems encountered with export of Canadian beef to the U.S. He also expressed concern about the difficulty of getting reliable information on the level of U.S. agricultural subsidies and indicated that the government has hired a consulting firm to do research in this area. This is something he should have done in 1986-87. Now that the free trade agreement is signed we are now trying to find out what level of subsidies the Americans are giving to their farmers.

On behalf of the grain growers, the beef producers, the hog growers, the dairy industry, the potato industry, the egg and poultry industry, in fact the entire agricultural sector, I encourage the Minister of Agriculture and this government to act in a most expeditious manner and resolve this question of subsidy before more farmers fall victim and rural Canada suffers further devastation of its population.

Cancellation of the at and east subsidy is one more blow to Atlantic Canada. It is the parting shot of the old 1989 budget. I sincerely hope that this evening's budget will be one which will be more beneficial to all of us in the east who have been so brutalized during the past year.

The Acting Speaker (Mrs. Champagne): The Chair would like to suggest to the House that we call it one o'clock and when the House resumes after Question Period we could proceed to the period of questions or comments after the hon. member for Egmont's speech. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

S. O. 31

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

LINGUISTIC DUALITY

Mr. Don Boudria (Glengarrry—Prescott–Russell): Mr. Speaker, yesterday, the town council of Hawkesbury, the largest town in Glengarry—Prescott—Russell, voted unanimously to declared the town officially bilingual. The council also passed a resolution supporting Canada's linguistic duality.

On behalf of all my colleagues here in the House of Commons, I wish to congratulate Mayor Yves Drouin and the Hawkesbury council for their wisdom, their civility, and the respect they have shown their fellow citizens.

A so–called language crisis is now rampant in Canada, mainly owing to the intolerance and bigotry of a small group of people. Honourable men and women every where have a duty to speak out and ensure that the rights of each and everyone of us are respected. I hope that the action taken by the town of Hawkesbury, and last night by the towns of Trenton and Belleville, will be an example to other Ontario municipalities.

* * *

[*English*]

ATOMIC ENERGY CONTROL BOARD

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the Atomic Energy Control Board is imposing new cost recovery licence fees on both high schools and universities for the use of radioisotopes in research and teaching.

Dr. A. H. Warner, Chairman of the Radiation Safety Committee at the University of Windsor, writes that the new fees amount to nearly one and one–half times the cost of all radioisotopes used there. One two and one–half hour engineering laboratory exercise will now cost $2,000. Since university operational budgets and most research grants cannot sustain such cost increases, the use of radioisotopes will have to be curtailed or eliminated. Both research and teaching will suffer.

Herman Bruckman of Sandwich Secondary School, also in Windsor, has written to the AECB for advice on disposing of his very modest holdings of three microcurie standard radiation sources because his teaching budget cannot sustain the $625 cost for a class demonstration of radioactivity.

Thus does this government contribute to the enhancement of research and science teaching in a country so desperately in need of both.

* * *

ROMANIA

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, the world is slowly coming to understand the tragedy of the Romanian people enslaved under the Ceausescu regime. The legacy of the tyranny remains today in a broken economy which spawns hunger and disease.

This is most painfully evident in the orphaned Romanian children. Thousands of children are facing malnutrition and disease. The St. George Romanian Orthodox Church in the Romanian community of Regina, with the help of the government of Saskatchewan, has sent a fact–finding mission to see what can be done to help these children.

I would like to call upon all members of the House and the people of Canada to open their hearts to the children of Romania and do whatever they can to help. I would also call upon the government to see if there is a way to utilize military transport to move the much needed supplies of clothing and medicine to Romania.

* * *

KINSMEN CLUBS

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, today marks the seventieth anniversary of Kinsmen in Canada. National Kinsmen President, Brian Thompson, who lives in the riding of Elk Island, leads an organization that was founded by Harold A. Rogers on February 20, 1920.

For 70 years Kinsmen have been serving our community's greatest need through commitment to Canada's war effort in wartime and in times of peace through funding

for recreational facilities, medical facilities, emergency equipment and by support for cystic fibrosis research.

With the combined Kinsmen-Kinette membership of 17,000 in almost 1,000 clubs, the association of Kin last year raised $23 million in cash for community service. As well, during its 25 year partnership in the fight against cystic fibrosis, Kinsmen have raised over $15 million for CF research. The recent discovery of the CF gene was made possible by assistance from the family of Kin.

As a former Kinsmen Club president, it is a privilege to pay tribute to 70 years of Kinsmenship in Canada and I offer my sincere best wishes for a Kin future filled with success.

Some hon. members: Hear, hear!

* * *

CO-OPERATIVE HOUSING

Mr. George S. Rideout (Moncton): Mr. Speaker, co-operative housing programs help those Canadians who are in greatest housing need; the disadvantaged, the handicapped, seniors, and low and middle income Canadians squeezed by the housing crisis.

Federal co-operative housing programs have been cut again and again by this government. In last April's budget federal funding for co-operatives was cut by 25 per cent.

The Conservative government has broken its promise to put 5,000 new co-operative housing units onstream each year. In 1989, only 1,700 units were produced. There are huge waiting lists in every province for co-operative housing. Canada Mortgage and Housing is presently undertaking an extensive review of the federal co-operative housing program.

The minister of housing should wait on CMHC's review before cutting any more money from this program. There must be no cuts to co-operative housing in the upcoming budget. Canadians have been waiting too long for a coherent, long term solution to Canada's housing crisis. Co-operative housing meets the very real needs of Canadians waiting for shelter.

* * *

THE ECONOMY

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, yesterday representatives of the Canso council were quoted in newspapers as saying that their town and other towns should fight together for their survival.

Today, the finance minister is preparing a speech that will probably cause more consternation in small towns. Taxes will probably go up. The GST is coming down to the line despite massive protests and the price of a lot of goods will probably go up also. We have been warned that this budget will be tough.

Single industry towns all over Canada and small communities like Summerside in Prince Edward Island face a scary future. In Kimberley, B.C., 800 miners have been told they will be out of a job. In Virginiatown, a small northern Ontario community, more than 300 workers lost their jobs without notice when the town's only industry declared bankruptcy. Now, the only remaining bank in that community wants to close. Sometime in the first half of next year, 1,600 employees at Rio Algom Limited are to lose their jobs as two mines will close.

This government does not have a national vision. It is time it wakes up and listen to the people of the small towns across Canada. Perhaps it is time for the finance minister to put on his running shoes and jog across the real Canada. He has been clearly staying put in Ottawa too long and lacks a clear vision of what this country really needs.

* * *

[*Translation*]

FORESTRY INDUSTRIES

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the forestry industry is a major resource in the Abitibi area, and I am very pleased with the announcement by the Minister of Regional Industrial Expansion regarding the new program for the forestry sector.

The program, which is funded through the ISTC's sectoral budget, will provide Canadian forestry industries with more than $30 million, of which $18 million, spread over three years, will go to the research, development and innovation component, while the remaining 12.2 million will go to market development and diversification.

Mr. Speaker, our thanks go to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology and to the Minister of State (Forestry), who have shown they understand the needs of our forestry industry. This initiative will help our forestry

sector strengthen its competitive position on the international market.

An hon. member: Hear, hear!

* * *

[*English*]

OFFICIAL LANGUAGES

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, at a time when language relations in this country are strained considerably, intolerant Canadians can certainly take a lesson from students in my riding.

On last Friday, February 16, I had the opportunity of speaking before students at the Dalhousie Regional High School. Fifty-one of those students signed and presented me with a letter which reads as follows:

> We the Grade 8 social studies classes at D.R.H.S. support bilingualism in Canada and we are proud to be Canadians.
>
> Northern New Brunswick is truly a bilingual area and we would like to say that bilingualism works here.

[*Translation*]

These students gave me a similar letter, to be brought to the attention of the Prime Minister. These young people have demonstrated their courage, tolerance and good will. We cannot say as much for all Canadians.

Our government leaders ought to show their support for bilingualism in order to stop linguistic intolerance and ensure that both official languages continue to be part of a heritage that makes Canada unique.

* * *

[*English*]

VIA RAIL

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, discontinuing the service of The Canadian on January 15 has had a disturbing effect on the tourist industry in Alberta, especially in Banff National Park.

VIA has received many proposals for the privatization of a system to supply rail services between Calgary and Vancouver with a possible decision being arrived at around the end of March. Tourism is our third largest industry in Alberta and an emphasis must be placed on the transportation system needed to encourage this industry. The Rocky Mountaineer which now operates one round trip per week from late May to early October does not provide the service which is required to enhance the tourist industry.

• (1410)

When VIA is making a final decision on the privatization of this line it must emphasize affordability and sustainability but, above all, it must ensure to the travelling public the same level and reliability of service that rail passengers have experienced in the past.

* * *

VICTIMS OF THALIDOMIDE

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, I call on the Minister of Health and Welfare to reconsider his decision of last February 13 and upgrade the compensation package of $7.5 million to Canadian thalidomide victims.

While it was encouraging to see the government finally acknowledge some responsibility with this package, the minister fell far short of the recommendations proposed by the Thalidomide Victims Association of Canada. The $7.5 million is an unrealistically small amount to be distributed equally among the roughly 100 victims whose degree of illness and disability varies greatly.

Rosaria Molisse, one of my constituents, for example, requires 24 hour attendant care as a result of her multiple developmental and physical disabilities. Her share of the package, even if invested wisely and administered properly, will only net her some $600 a month in the current money market. This comes nowhere near what will be required to meet the costs of accommodation, living requirements, assistive devices and appropriate qualified help to permit an integrated lifestyle.

Her parents are near retirement and on the brink of physical and economic exhaustion. The Thalidomide Victims Association of Canada has proposed a package that would meet the needs of Rosaria and others like her. I urge the minister to do the right thing and to upgrade the amount and the method of distribution of the compensation package.

CANADA POST

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, last week Canada Post officials met with the residents of Westfield and Fundy Royal to announce changes to their postal service. The meeting was well attended by the residents of the community and they clearly expressed their extreme and deep concern about the continuing closures of post offices in rural communities across the country.

On behalf of my constituents, I will be forwarding to the minister responsible for Canada Post and the Prime Minister petitions containing the names of over 800 persons who are opposed to this closure. I trust their views will be given the utmost consideration.

* * *

BROADCASTING

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, in 1988 as part of the broadcasting policy the government funded satellite transponders which improved the distribution of native broadcasting in the north and other parts of Canada. We have invested in a technical capacity to broadcast.

In today's budget we are faced with cut-backs in native broadcasting. Two programs are affected: First, the native communications program, which has to do with newspapers and some Trail radio and, second, the northern native broadcasting access program, which is TV and radio. These programs funded by the Secretary of State have been critical to the development of native media which can reflect native values, reinforce a positive native identity and, in particular, protect and enhance native languages.

During the UN decade of literacy, illiteracy among aboriginal people runs at an incredibly high rate. Native media are trying to do something about that. We are speaking about 11 aboriginal newspapers reaching one in four native households and 5,300 hours of radio and 750 hours of television programming and it is going to be cut back.

We in the NDP feel native people need the ability to broadcast in their own language. Here is another cut in the very fabric of Canada. There is more to Canada than the business agenda. These cuts are going to affect the native people and once again we are losing the glue that holds this country together.

* * *

VOLUNTARY ORGANIZATIONS

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, on this important budget day, I wish to pay tribute to all of the voluntary private sector organizations that contribute so significantly to the national debates about public economic affairs in Canada.

As we all know, the practice of democracy cannot and should not be confined to government in isolation from the real world. The process of consultation is especially important in terms of the financial integrity of our country.

In particular, at the considered risk of omitting others, I would like to single out those hundreds of economic groups to be found in virtually every Canadian municipality generally identified as chambers of commerce or boards of trade. They constitute an inherent and important component in the structure of our society, providing a format for public expression and debate which is ordinarily as objective and constructive as any to be found.

It is in that context that the Fredericton—Oromocto Chambers of Commerce have joined forces to sponsor a public information meeting tomorrow about the 1990 budget at which I shall be a participant.

This event, which I feel sure is being paralleled in many other Canadian communities, is but one demonstration of the continuing role of these organizations in providing relevant and timely public service in vital national issues.

* * *

FUR INDUSTRY

Mrs. Coline Campbell (South West Nova): Mr. Speaker, representatives of the Canadian fur industry have repeatedly drawn the attention of the government to problems they are currently facing.

I congratulate the Secretary of State for External Affairs for last week bringing in clothing with fur on it for our foreign visitors. It is more of that action that we need from the government.

However, since 1987, when mink prices reached an all-time high, the industry has been undermined by the actions of both the anti-fur lobby and especially the expansion in the Scandinavian countries. The result is an over-supply of pelts that has pushed the mink industry to the brink of complete collapse.

This is a solid industry. It possesses top quality pelts and a well trained labour force of farmers. It has been profitable and, with government attention, it will remain so. In order to ensure the Canadian mink farmers can survive this rough period, I call on the Minister of Agriculture to support the industry's request that mink be immediately added to the list of eligible commodities under the Agricultural Stabilization Act.

Time is growing short for these farmers. Many of them exist in Ontario, Quebec and Nova Scotia and they have had a very difficult year. I ask the Minister of Agriculture to take it under consideration.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my question is for the Deputy Prime Minister.

It is now more than a year that the government has known about the fishery crisis in Atlantic Canada. Since then, the government has been promising action, but these promises have turned out empty. The promised $1 billion response program has melted to $130 million.

The long term response and new programs have disappeared and have been replaced by existing programs. Most Canadians agree that where the government has rightfully offered aid to the western farmers, Atlantic Canadians have been left on their own to deal with that crisis.

Will the Deputy Prime Minister take the opportunity to announce immediately what aid he intends to give in order that Atlantic Canadians will feel that they have been treated fairly and that they will be able to face their future with dignity and not despair?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the hon. member acknowledged in his question, there has already been the announcement of $130 million assistance to some of the people affected by the obvious crisis in the Atlantic fishery.

We are looking at other programs that might be made available to help people who are affected by this crisis. As part of a program by the Government of Canada, and we very much hope in concert with the provinces of Newfoundland and Nova Scotia and we certainly expect in concert with the fishing industry, we hope to try to establish the long term viability of the Canadian fishing industry on the Atlantic coast, having regard to the fact that there has been inadequate planning in the past. There have been decisions taken in part by provincial governments that in hindsight were not intelligent decisions. We have had a very serious problem arise with respect to the northern cod stock. The hon. member will know that Dr. Harris, who was asked to look into the question of scientific assessments, has made his report available to my colleague, the Minister of Fisheries and Oceans, who is looking at that report now.

On the basis of that evidence and other, we will be announcing further programs in keeping with the commitment to treat the crisis in the Atlantic fishing industry with the same priority that we have treated the crisis in agriculture in other parts of the country.

Mr. Simmons: Explain that to the Prime Minister.

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, my supplementary question is also to the Deputy Prime Minister. All we hear are words, words that mean nothing at all. Up to now all the government has offered to Atlantic Canadians affected by the crisis is a recipe of rehashed programs with no new funding. The existing programs were in place to deal with a normally bad situation. They were not made to deal with a crisis situation like the one we have now. Furthermore, these existing programs, as the minister knows, have been reprofiled, reduced and extended over a longer period of time. They did not and do not meet the needs.

• (1420)

How can the minister and the government justify abandoning Atlantic Canada, or is this lack of action consequent with the Prime Minister's words that there is no crisis in Atlantic Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister has made it very clear that the government by its actions believes there is a serious crisis in the Atlantic fishery. We are dealing with that problem.

The member makes the distinction between old money and new money. That might make sense to him but it does not make much sense to the people in Atlantic Canada who were the beneficiaries of the expenditure of some $130 million by this government in response to some of the problems that are part of the Atlantic provinces' fishing crisis.

With respect to Atlantic Canada generally, he need not take my word for the track record of this government on this matter. Liberal Premier Frank McKenna, of his province of New Brunswick, has said that ACOA, created by a Conservative government, is perhaps the best tool for regional development and diversification ever seen in Atlantic Canada.

That is part of the response of the government to ensure that Atlantic Canadians can play a full and equal—

Some hon. members: Oh, oh!

Some hon. members: Order!

Mr. Fernand Robichaud (Beauséjour): Mr. Speaker, I remind the minister that Premier McKenna is a Liberal premier who cares a lot about people, which is a lot more than the government does for Atlantic Canadians.

[*Translation*]

Mr. Speaker, yesterday, in response to a question by the hon. member for Cape Breton—Highlands—Canso, the Minister of Fisheries and Oceans tried to evade the issue of community quotas.

Canadians in the Atlantic region want to know whether the minister will exercise his authority and let communities like Canso keep their trawlers to maintain their fishing capacity until such time as the fish stocks return.

The government must chose between the survival of these communities or company profits. The fate of Canso will be that of all other fishing communities on the Atlantic coast. I ask the government and this minister: Whose side are they on?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the government is very much on the side of the people, fishermen, plant workers and residents of the communities of Atlantic Canada.

The government is committed to the survival of these communities. That is why the minister responsible for ACOA and I have just come from a meeting with Mayor Ray White and a delegation from the community of Canso. We are exploring every viable option with the community of Canso and all Atlantic Canada communities so they can have a bright, prosperous and secure future.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, in the absence of the Prime Minister, I would like to address a question to my good friend the Deputy Prime Minister.

Yesterday I was in St. John's to attend a meeting convened by the Federation of Labour and Municipalities to deal with the mounting crisis in the offshore and inshore fisheries in that province. The consensus shared by plant workers, fishermen, community leaders, labour leaders, politicians of all stripes, including three of his friends from the Senate of Canada, overwhelmingly agreed that fish plant closures are not the solution to the current problem. There was another consensus, too, that the Prime Minister has not yet seized with the urgency of this important issue.

Will the government and the Prime Minister undertake to meet with the organizers of yesterday's meeting with a view to keeping those inshore and offshore plants open until such time as the stocks rebuild?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the closings of fish plants are not the solution to the problem, I hope the hon. member will deliver a message to Premier Wells of Newfoundland who has clearly and explicitly stated that the fish plants involved in Newfoundland are going to be closing next year and that there is no alternative to their closing. His policy is that these plants have to close, although the government provided some assistance to see that the notice period was extended from three months by an additional year. The clear policy of the Government of Newfoundland, led by the hon. gentleman's friend Premier Wells, is that the fish plants have to close because

there is no alternative. I trust his message will go forward to the premier.

In the meantime, we intend to do whatever we can to see that every possible plant continues to stay open, including the utilization of the unallocated quotas for underutilized species which the hon. Minister of Fisheries and Oceans has arranged. We intend to do everything we can to see that they survive.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I thank the minister and the conference sends their love to him. They missed him yesterday.

My supplementary question is directed to the minister. He can try all he wants to slough off the problem onto Premier Wells, whom he has also psyched out on the countervail issue. The minister will be aware that back in 1987 when FPI was privatized the government of which he was a part entered into an agreement whereby the government can oppose the closure of fish plants such as Gaultois, Grand Bank and Trepassey, the three mentioned in the FPI closure announcement. Has the government exercised its option in that agreement to protect those three plants and the 1,500 workers involved? If it has not done so, why has it not done so and will he now undertake to do so to protect those 1,500 jobs until the stocks rebuild?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is referring to an agreement under which either the Government of Canada or the Government of Newfoundland have an option if Fishery Products concludes that it has to close a fish plant. It has to notify both governments and either government has an option to advise Fishery Products Limited that it is not to close some particular plant. The government, whichever government it is that exercises that option, will put up all necessary moneys to see that the plant runs and that any losses are met. That of course would be an action that would result in a countervailable situation in the United States or elsewhere where the country has laws with respect to free trading and with respect to fair trading.

Mr. Simmons: Why did you sign it then?

Mr. Crosbie: That would not be an option. Even in the medium or long term, that would not be an option that one would want to pursue. There have to be other methods found for plants to continue to operate other than direct subsidization by the government.

* * *

UNEMPLOYMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

When the minister appeared before the Senate committee examining Bill C-21, she said the following:

> The worst misconception of all is that there are no jobs available. The fact is that studies, surveys and our own experiences tell us that there are jobs available, that jobs are available all across Canada, and that given active rather than simply passive support, the unemployed are better able and more likely to take advantage of these opportunities.

Appearing before the same committee the Deputy Minister of Labour from Newfoundland said:

> The evidence from Statistics Canada publications indicates the desire to work exists, but the jobs are not there right now—To put it bluntly, then, there is simply not enough work to go around.

My question to the minister is this. The minister tells us that she has studies that show that there are jobs everywhere in Canada. Will the minister stand up now in the House and tell us where the jobs are in Quebec with unemployment at 10.5 per cent and in Newfoundland where unemployment is 16.7 per cent? Can she stand up and tell us where are the jobs specifically in Canso, the Burin Peninsula, and Belle Isle? Specifically, we want to know that. No mussing, no fussing.

• (1430)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am delighted that the hon. member has been reading the debates, but I am sorry that he did not read them quite closely enough.

I acknowledged that there were more jobs in some parts of Canada than there were in others, but then I went on to say that part of the problem in all parts of Canada is that there is a mismatch between the skills of workers and the jobs available. That is true even in areas where unemployment is higher than we in this government would like it to be. The surveys of the people who we serve through unemployment—

Mrs. Campbell (South West Nova): The people don't want to hear that any more. They want action.

Mrs. McDougall: Maybe the hon. member would like to listen to the answer.

Some hon. members: Oh, oh!

Mr. Speaker: The hon. minister.

Mrs. McDougall: Mr. Speaker, the people whom we listen to are the people we serve through unemployment insurance and through our own offices across Canada. They themselves are telling us that they believe they are unable to get the jobs that are available because they do not have the skills. That is why this bill is important, because it is going to give them the skills.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question for the same minister. I would like to say to the minister, in all sincerity, that people in Atlantic Canada do not want any more surveys. They do not want her personal experiences. They do not want StatsCan statistics. What they want are jobs. That's what they want. Jobs.

In light of the fact that the minister has admitted that there are no jobs in Newfoundland, that there are no jobs in Nova Scotia, and that there is no industrial infrastructure there, will the minister agree that she will withdraw Bill C–21 rather than exacerbate an already deplorable situation?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the man is misquoting me right in front of my very eyes. Let me point out to him that in 1989 over 8,000 jobs were created in Newfoundland outside the St. John's metropolitan area. That is true in every region of Canada.

Some hon. members: Hear, hear!

Mrs. McDougall: The workers of Canada do not want more rhetoric and more shouting about this bill when they know that this bill is going to provide them with the skills and training that they need, to say nothing of the other benefits in this bill which include women in Canada who are expecting babies who are asking for parental benefits and people over age 65 who are looking for their benefits.

All of that is in this bill, and I am surprised the hon. member is not ashamed of himself for paying no attention to them.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my final supplementary question is for the same minister. The people in Newfoundland are now trembling in anticipation. They are really fearful that with the fish plant closures and the cut-back in the quotas for fishing about 4,000 people will be added to the unemployment rolls.

Will the minister not admit that in fact there is high unemployment in Newfoundland and that there are not the jobs in Newfoundland for these people to take? Will she not admit that putting Bill C–21, the changes to the Unemployment Insurance Act, into effect will exacerbate an already serious situation? Will she not take the advice, dare I say it, from the other place and withdraw the bill?

Hon. Barbara McDougall (Minister of Employment and Immigration): No, Mr. Speaker, I can assure the hon. member that I will not withdraw the bill. He is failing to notice that in the higher unemployment areas of Canada this bill is very sensitive to those needs.

One of the things that we do for people involved in the fishing industry is that we remove the penalty for seasonal workers who repeat through the system. That is good for the people of Newfoundland as they are going through a difficult time. It will help us in terms of both training and regional development, which go together. You cannot have one without the other.

That is what this government recognizes, and that is what the NDP always fails to recognize.

* * *

GOODS AND SERVICES TAX

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, in the absence of the Minister of Finance, my question is for the Minister of State for Finance.

Electricity is vital. Its uses and users are limitless. The minister was sent a resolution from the municipality of Nepean which outlined the injurious effects a GST on electricity would have on the poor, on industry, and on the economy.

Given that taxing electricity is inconsistent with the government's own stated objectives of exempting standard municipal services, how can the minister justify taxing this essential service, yet another blow to the poor in this country?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I would suggest to the hon. member and her colleagues on that side of the House that they should make maximum use of the recess we are going to have next week to study very carefully the technical documents that we have produced, because day after day we get questions.

Yesterday it was on transportation when we know that companies can get a full tax input for their transportation. Today it is on electricity when we know that lower income people will have more money in their pockets after reform than they had before.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, it is a pity that that information would not be readily available on the minister's own GST hot line.

According to the Municipal Electrical Association of Ontario, on hydro utilities costs from the manufacturers' sales tax are less than 1 per cent of purchased goods. In Ontario alone, 1991 electrical sales will be $8 billion.

The difference between a minus 1 per cent MST and a plus 7 per cent GST on service is astronomical and is yet another indication of this government's lack of concern for the people of Canada. Where is the conscience of this government that it will overcharge on a very essential service to Canadians?

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, once again, I wish to inform the hon. member that we have done some very accurate studies on the impact of tax reform, particularly on low-income Canadians. We are prepared to guarantee our findings to the effect that a family with an income below $30,000 will be better off after the tax reform. If the hon. member is able to produce figures that indicate the opposite, she should do so.

* * *

[*English*]

1991 CENSUS

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, my question is for the minister responsible for Statistics Canada.

The 1986 census contained four questions concerning disabled Canadians. These questions have been used by Statistics Canada to produce data for the government and private sector to ensure that services are provided for disabled Canadians.

Will the minister tell the House if he intends to include questions regarding the disabled in the 1991 census, and what will these questions be?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the precise questions for the 1991 census have not yet been put together. Discussions are under way with all of the users of StatsCan data.

The questions in terms of disabled Canadians and so on will be included if that is the recommendation that comes back after discussions with the people who would use this data.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the minister would not tell the House what questions concerning disabled Canadians will be on the census. Statistics Canada will not tell us what questions will be on the census, and the minister's staff tells us that it is top secret. Why all the secrecy?

My supplementary question is for the Acting Prime Minister. Is the government afraid that the questions it intends to include in the census will not satisfy the concerns that disabled Canadians want addressed in the census? Is this another example of this government's back room, closed door decision making?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the hon. member is right. I cannot tell her the questions that will be on the 1991 census for the very simple reason, as I explained in my first reply to her, that the questions have not been decided upon yet. They will be decided upon after full discussion with all of the users of the data.

The hon. member has been watching old films of the rat pack. Why this accusatory tone in her questioning? This is silly.

* * *

• (1440)

FISHERIES

Mr. Jim Fulton (Skeena): Mr. Speaker, despite denials by the Minister of Fisheries and Oceans about the secret Pacific fisheries policy called Vision 2000, his department

continues day by day to implement its key recommendations.

I would like to ask the minister of fisheries if he would confirm that Vision 2000 states that under current Conservative policy B.C. native claims will not be settled for 50 to 100 years, one-half the commercial fishermen will be forced out of the industry, pollution and habitat destruction will be allowed to dramatically increase, and what is left of the fisheries will be turned over to a few large corporations?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Of course none of that is true, Mr. Speaker. Three years ago I created an advisory group to advise the ministry and the government on west coast fisheries policy. It is called the Pacific Regional Council, and that body comprises broad representation within the industry, although the fishermen's union chose not to participate as part of that group.

That group suggested that the department embark on a project of looking into the 1990s with a view to deciding what options we had for guiding the fishery into the 21st century. That process is called Vision 2000. An internal working document has apparently been made public. I have not read it, but that document lays out a number of options.

I have indicated to the industry, in meeting with it last week in British Columbia, that this is strictly a discussion paper and full consultation will precede any changes of policy which might flow from such a process.

Mr. Jim Fulton (Skeena): Mr. Speaker, perhaps the minister should read it. He in fact appointed the members of this committee who have apparently produced it along with his own officials. I spoke to some of his officials, and they have been participating in this. It seems that the contents of it are only secret to the minister, because it states on page 1: "To ensure that this vision meets political values—Pacific fisheries policy must result in a long-term real decrease in the commitment of government resources to Pacific fisheries management".

Would the minister confirm to this House—and I think he should be able to because I raised it with him privately yesterday—that this month, for the first time in history, B.C. fishermen are being required to hire and take aboard private sector police as observers at a cost of $3,500 per trip?

Does the minister not understand what has gone on in Atlantic Canada? We do not want that virus on the west coast. Will he scrap the policies proposed in Vision 2000 and admit that enforcement is a federal government responsibility and applying these kinds of charges will drive B.C. fishermen out of the industry and into bankruptcy, or is that part of his plan?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, it is remarkable that the one political party that is forever talking about improving things is unprepared and afraid to look into the future and to plan for the future. In fact they are more conservative than the Progressive Conservatives themselves.

Some hon. members: Oh, oh!

Mr. Siddon: They are afraid of change.

Mr. Peterson: That's the worst indictment you could impose on them. It's a terrible indictment.

Mr. Siddon: Mr. Speaker, the hon. member is asking the government and the minister of fisheries to condone wasteful overfishing and dumping of fish at sea. Where observers are required to effectively police the fishery, those observers shall be provided on vessels whether they are sailing along the Atlantic or the Pacific coast.

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[*Translation*]

SENIOR WORKERS ADJUSTMENT PROGRAM

Mrs. Carole Jacques (Mercier): Mr. Speaker, on February 16 this year, we heard that an agreement had been concluded between the Government of Quebec and the federal Minister of Labour, providing that $13 million will be paid to 233 older workers involved in major lay-offs by Quebec companies, and this as part of the Older Workers Adjustment Program. My question to the Minister of Labour is as follows: Will older workers laid off by companies in my riding also benefit under this agreement?

Hon. Jean Corbeil (Minister of Labour): Mr. Speaker, I am pleased to see that the hon. member for Mercier shows an active concern for older workers who have been laid off in her riding and I can confirm that on February 18 this year, we signed an agreement with the Quebec Labour and Income Security Department to designate eight companies in Quebec where older workers had been laid off and allow the application of the Older Workers Adjustement Program, adopted in this House during the past year. For the benefit of the hon. member, I can confirm that one of the industries in her

riding, Canadian International Paper, was on the list, and that 30 older workers will benefit under this program.

* * *

[*English*]

THE ENVIRONMENT

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister of the Environment and is with regard to the tire fire in my riding.

While the federal government should not be interfering unless asked with provincial and municipal attempts to extinguish the fire, the federal government has the mandate through Emergency Preparedness Canada and the responsibility to monitor the fire, to be there, to know what is going on. The minister does not need a special invitation from the province of Ontario to do this. On Friday we saw a communication foul up between Ottawa and Toronto, wasting time and effort.

Would the minister not agree that these problems could be overcome if federal officials responsible for co-ordinating the federal response were on site so that these problems do not continue to happen?

Hon. Lucien Bouchard (Minister of the Environment): Mr. Speaker, we have not waited for the member's comments to do that. We are doing exactly that now.

We have three scientists on the site now monitoring and analysing the air quality. We have people from Environment Canada on the site as well. There is a representative of the Canadian army there also monitoring the situation and getting ready to step in if we are requested to go there. We have also set up a task force at the federal level to co-ordinate the federal response to this disaster.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I am saying that there should be somebody there from the federal government co-ordinating its response.

My supplementary question is for the Minister of Indian Affairs and Northern Development. The minister should be aware that both the Six Nations and the Mississauga of the New Credit reserves are close to the fire. In fact they were one of the first areas evacuated.

What is the federal government's responsibility to federally regulated reserves during an environmental disaster such as this one? Why haven't federal officials from the minister's department been to the Six Nations to evaluate the situation there?

Hon. Pierre H. Cadieux (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am told that our officials have been in communication with the chief of the Six Nations. We are well aware of the environmental difficulty there, and we are monitoring the situation very carefully.

* * *

JUSTICE

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Justice and concerns a very serious question of racial discrimination which affects everyone in this House.

Yesterday B'nai Brith released its 1989 audit report indicating an increase in anti-Semitism in Canada. In fact it estimated by the number of reported cases that anti-Semitism has gone up by 57 per cent. There is also a great deal of acrimony that it has not seen before.

I would like to ask the minister what his ministry and members of this government are doing to help the association end the perception that those disseminating messages of hate need not fear prosecution. Can he not improve Canadian law to fight such outrageous behaviour?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, as my hon. friend will know the Criminal Code prohibits the wilful promotion of hatred against identifiable groups. I am not trying to slide off the issue by suggesting that the attorneys general of the various provinces are in charge of prosecuting that under the Criminal Code. They have the full co-operation of my department wherever it occurs.

• (1450)

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I respect the constitutional niceties that the Minister of Justice finds himself in, but Canadian society is changing and many groups are facing racial discrimination. For example, in addition to the group I mentioned in my previous question, the Sikh community is facing the problem of racial pins and anti-Sikh calendars.

What specific measures is the minister taking? Is he initiating federal-provincial conferences? Is he reviewing the Criminal Code? Is he meeting with the attorneys general across the country? Is he doing something to help Canadians feel they are not being discriminated against?

Hon. Doug Lewis (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am sure my hon. friend knows that my colleague, the Secretary of State, has several programs under way with respect to this matter.

Mrs. Campbell (South West Nova): Money.

Mr. Lewis: You don't throw money at everything and fix it that way; you've to get to people's minds.

I would also point out that the Supreme Court of Canada presently has the hate propaganda legislation before it. It would be premature to make any changes in the law until we see what the Supreme Court of Canada suggests.

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PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to members' attention the presence in the gallery of Jana Petrova, member of the Federal Assembly of Czechoslovakia.

Some hon. members: Hear, hear!

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INVESTMENT CANADA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister responsible for Investment Canada.

In a letter from the Deputy Minister of Industry and Trade in Manitoba dated December 22, 1989, bearing the wording "Confidential—Privileged Information" with regard to the Johnson Controls takeover of Varta Batteries Ltd., the Deputy Minister stated:

> I strongly object to the acquisition unless there are commitments to maintain or to enhance the Manitoba employment base.

The letter goes on to say:

> The Winnipeg plant of Varta Batteries Ltd. is a significant and important component of the Manitoba economy, and closure is not an acceptable course of action.

Why did neither the federal government nor the provincial government inform the workers that their jobs were being sacrificed in this American takeover? Further, why did the federal government completely ignore the secret pleas of the Manitoba government to keep this plant open?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Varta plant that was taken over was in financial difficulties and in fact was on the verge of bankruptcy. Had that occurred of course the jobs would be lost, but lost in a circumstance where there would not be severance packages available and the kind of assistance that is available under a more orderly shutdown.

The purchase by Johnson Controls provided for a more orderly shutdown. There was an offer of jobs, admittedly in another province, but nevertheless for some of the employees there was that offer, and there were the usual reasonable accommodations made for the employees who were leaving.

Any time Investment Canada is faced with a merger situation it consults the provinces affected. It consulted, not in any secret way, the province of Manitoba. If there were significant reasons given by Manitoba why this should not be allowed to go ahead or if they had alternatives then those would be listened to, but I am not aware of any such thing having occurred.

Mr. Rod Murphy (Churchill): Mr. Speaker, I again refer the minister to the letter which was sent in confidence—it was privileged information—to Investment Canada on December 22, 1989.

In addition to that, when the sale finally became public in February the company said that it cost too much to send 400,000 batteries to eastern Canada. Was the government aware that that same company is now going to have to send 400,000 batteries to western Canada? That information was not available because the workers were never consulted. Why were they not consulted?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, obviously that privileged, confidential letter was not considered that way by whoever sent it, having given a copy to the hon. member.

The hon. member is talking about the operations of the company in terms of whether it is more economic to make the batteries here and ship them there or vice versa. I know he has a great belief in decisions about the operations of companies being made by politicians as being superior to those that are made by the marketplace.

The fact is that this company was going bankrupt. The managers were not able to operate it in a financially viable way. It is possible; there have never been any examples on earth, but we have to admit the theoretical possibility that had the company been run by somebody like the hon. member perhaps it would have made a profit. In the circumstances there was no other alternative.

* * *

THE ENVIRONMENT

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister of National Defence and it is with regard to the fire in Hagersville as well.

It is my understanding that at Camp Borden, which is about one and a half hours away from the fire, a fire-fighting school already exists. In view of the short distance involved, why have those resources not been used in fighting this fire?

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, the hon. member's information is correct. There is a Canadian Forces fire-fighting school located at Camp Borden.

I also would like to inform the hon. member that earlier this day an offer was made by the Department of National Defence to provide fire-fighters from that school and other military personnel to the Emergency Measures Organization of Ontario and to the municipality.

Before two o'clock this afternoon that offer was rejected. We were informed that the Government of Ontario and the Emergency Measures Organization felt that they had the equipment that was necessary, that they had the capability and that they had the problem under control.

I would also inform the hon. member that there is at present a liaison officer of the Canadian Forces in Hagersville to monitor. I can also inform him that the fire-fighting school and CF personnel are on 24-hour standby and would respond to a request.

* * *

[*Translation*]

BILINGUAL LABELLING

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Acting Minister of Consumer and Corporate Affairs.

Canadian manufacturers must spend substantial sums of money to conform to the standards for bilingual labelling. Meanwhile, Americans export tons of items to Canada with labels in English only. This puts our manufacturing sector at a disadvantage and is a threat to bilingualism, which goes against the government's commitment to Canadians during the last election campaign.

What does the minister intend doing to remedy this unacceptable situation?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as we announced last October, we have in co-operation with Customs and Excise and the Department of National Revenue stepped up inspections at the border of goods coming in to ensure they are properly labelled.

We have, in addition, got together with the association representing 90 per cent of the food retailers in this country to get their voluntary co-operation to ensure that goods on their shelves are properly labelled.

We are taking the necessary action to that ensure Canadian law is fully complied with.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, they cannot possibly be taking the necessary action because there are only 160 inspectors across Canada to police the language regulations of the Consumer Packaging and Labelling Act and the Food and Drug Act, which is woefully insufficient. The minister knows that complaints against illegal labelling of Ameri-

can goods coming into Canada has increased by four times in the last year.

What is the minister to do to protect the manufacturers of this country and the linguistic duality of our nation?

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, there are 3,000 Customs officers at the border performing this function of enforcing Canadian laws, as well as the inspectors.

Basically we have a law that is proper and we enforce it to the best of our ability, much the same as the police enforce speeding laws. We cannot guarantee that every single product will be properly labelled without putting in a huge number of inspectors at huge costs and putting a huge bureaucratic burden upon the very manufacturers about whose prospects he is concerned.

• (1500)

I am sure the hon. member would not want me to go out and hire the thousands and thousands of label cops necessary to ensure that every single product at all times is properly labelled. We do an excellent job and Canadian manufacturers have their interests fully protected.

* * *

[*Translation*]

TOURISM

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, in the absence of the Minister of State (Small Businesses and Tourism), my question is directed to the Deputy Prime Minister. Does the minister responsible for tourism realize that current economic pessimism, combined with unprecedented tax increases and disastrous interest rates, threatens the survival of many small businesses and tourism? In the circumstances, could the minister explain why he cut the budget for tourism marketing at a time when we need it more than ever?

[*English*]

Hon. Harvie Andre (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, on behalf of my colleague, the Minister of State for Small Business and Tourism, let me say that both he and I and the hon. member would love to have more money to invite and advertise to the entire world the tremendous beauty of this country and the fact that they are missing a great experience if they do not come here as tourists.

What we are doing, given the limitation of a significant deficit and the fact that the taxpayers are already burdened, is spending smarter. We will see tourism continue to grow in this country as a result of the initiatives of my colleague.

Mr. Speaker: The hon. member for Regina—Lumsden, a single question.

* * *

TRANSPORT

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I would rather you had called Orders of the Day but I will take the question.

Mr. Speaker: I must say to the hon. member that it is very tempting. Perhaps a short question.

Mr. Benjamin: Mr. Speaker, I only get one once every two or three months, now I have five of them.

My question is for the Minister of Transport. The National Transportation Agency has served notice of its intention to remove regulations over passenger rail service in this country. This includes rescinding the declaration that VIA Rail services are passenger train services, and allowing VIA Rail to make its own decisions on routing and frequency of routes even though the royal commission appointed by the minister has not had a chance to give an interim report.

Will the minister request the National Transportation Agency not to proceed with this until the royal commission has issued an interim report and will he ensure that the eight protected routes are kept in place regardless of what the National Transportation Agency does?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think with the experience my friend has, he knows very well that the agency has decided itself to take this initiative. It is not coming from the Department of Transport.

I think it is a fair concern when he raises the question of VIA Rail services, remote services and the royal commission. Obviously we will consider the process used by the National Transportation Agency. The government will consider the proposals but he knows very well that it is the agency's own initiative and the Department of

Transport or the Minister of Transport does not have the authority to stop the NTA in that kind of investigation.

Mr. Speaker: The hon. member for Haldimand—Norfolk, on a point of order.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, as you know, this morning at eleven o'clock I was not in my seat. As you also know, I made a request under Standing Order 52 to be heard by you for an emergency debate on the very crucial situation in my riding regarding the Hagersville tire fire. I am wondering if we might find unanimous consent to revert to S. O. 52s, because at eleven o'clock I was in a very important discussion regarding this matter and I was not able to hear your decision on that.

Mr. Speaker: The hon. member seeks to revert to Routine Proceedings. The hon. member was very frank with the House. He was not in his seat when the matter ordinarily would have been called. I had notice of it, of course. I am in the hands of the House.

Mr. Lewis: Mr. Speaker, for our part we understand that from time to time members cannot be in their place to make applications under Standing Order 52. In view of the importance of the issue, we are prepared to hear the application now.

Mr. Axworthy (Saskatoon—Clark's Crossing): I rise on the same point, Mr. Speaker. The New Democratic Party would be only too pleased to allow the member to proceed.

Mr. Speaker: I thank the hon. member.

The Chair recognizes the hon. member for Haldimand—Norfolk.

* * *

MOTION TO ADJOURN UNDER S. O. 52

HAGERSVILLE FIRE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I will not indulge the House, and I thank all parties for allowing me to do this.

As you know, Mr. Speaker, you received a letter from me today regarding the very crucial situation in my riding concerning the Hagersville tire fire.

As the minister knows, I specifically requested a debate on this issue to let Canadians and, indeed, the people in my riding know the government's response to this matter.

HAGERSVILLE FIRE—SPEAKER'S RULING

Mr. Speaker: I thank the hon. Minister of Justice and the hon. member from the New Democratic Party for extending the courtesy to the hon. member for Haldimand—Norfolk who naturally is extremely concerned about the matter, as are all hon. members.

This is not his first application, as hon. members will know, nor is it the only application that I have had for an emergency debate.

However, I have to say—and I say this specifically to Canadians living in that area—that the whole House, and it has been made very clear treats the matter as very, very serious indeed. There has been extensive discussion in the House over the last several days with respect to the situation and with respect to what, if anything, this House could do to expedite the solution of the matter or to encourage assistance to be given.

There have been comments on the government side and on the opposition side which indicate a sense here in the House that any help that could be given would be given.

But I must say that serious as it is, with respect to the exchanges and possible exchanges we may have, it would not be appropriate to adjourn the proceedings of the day and move to an emergency debate.

I do want to say to the hon. member and to other hon. members who have raised this matter that I treat it as serious. I think that there can be some assurance to the public that the House has treated it as very serious indeed.

I thank the hon. member for bringing the matter to our attention.

BUDGET STATEMENT OF THE MINISTER OF FINANCE—SPEAKER'S RULING

Mr. Speaker: This morning the hon. member for Kamloops raised a point of order concerning the budget presentation which will be delivered later this day. He wished to obtain clarification as to whether or not the questions and comments period which generally applies to members speaking for 20 minutes should apply to the upcoming speech by the Minister of Finance on the budget.

The hon. member for Kingston and the Islands addressed in some detail specific recent precedents and examined carefully the text of the relevant Standing Orders. The hon. parliamentary secretary to the government House leader reviewed recent interpretations given to the standing orders on this issue, as did the hon. member for Kingston and the Islands. I want to thank all hon. members for their contributions.

After considering the issue, as I said I would this morning, the Chair is now ready to render a decision. Since hon. members did present such detailed arguments, I will not review again in detail the precedents cited.

• (1510)

[*Translation*]

As most hon. members will be aware, the standing orders of the House of Commons concerning the period of questions and comments were first adopted in November 1982, following recommendations by the Special Committee on Standing Orders and Procedure, commonly referred to as the Lefebvre Committee. The committee suggested that "the amendments to the appropriate standing orders be as simple as possible, but that the new debating process be controlled by the Chair", according to certain guidelines.

[*English*]

The House subsequently adopted amendments to its Standing Orders to incorporate this new procedure. The operative sentence in present Standing Order 84(7) reads:

> Following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

While it is true that when this new rule first came into practice in late 1982 it was unclear as to whether or not the question and comment period should apply only to 20 minute speeches or to the longer speeches as well. There is the precedent in December 9, 1983, where the Speaker stated that according to the rules the 10-minute period could be allowed following the unlimited speeches in the Address debate.

Just so that all hon. members will understand that, as well as the public that is listening, it has been the custom to have unlimited time for the Prime Minister, the Leader of the Official Opposition and, out of courtesy, others.

As a courtesy to the Prime Minister and Leader of the Official Opposition, however, the 10-minute period was not used on that occasion. Several subsequent incidents in the House show members seeking unanimous consent to allow a question and comment period, implying that such consent was a requirement in order to allow this period.

On June 7, 1985, the Chair was called upon to interpret whether this 10-minute questions and comments period should apply to members who were entitled to speak for more than 20 minutes. The Acting Speaker stated that those who have unlimited time do not have a question or comment period.

No instances could be found in our practice where the question and comment period was allowed following a budget speech. Indeed, our practice since 1984 has been consistent in not allowing a question and comment period following anything but 20 minute speeches, except by unanimous consent. This interpretation of the rules is now regarded as a practice of the House and the occupants of the chair have conducted themselves accordingly.

I thank the hon. members for permitting the Chair to clarify the current practice in this matter.

However, the hon. member for Kamloops presents a valid argument about the fairness to a third party of this and other rules governing speeches. The suggestion has been made, however, that these issues be examined by the Standing Committee on Elections, Privileges, Procedure and Private Members' Business. This might be a course that hon. members will wish to pursue.

I might also add that I am indebted to the hon. member for Kamloops for a very succinct argument this morning. If it had not been for the clear evidence of a continual practice in this matter, looking at the words of the order itself and other similar orders that were referred to in the Standing Orders I might well have, if I had been making this decision some years ago, come to a different decision. Perhaps the wording ought to be looked at.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard (Roberval), that Bill C-26, an act to amend the Railway Act (grain and flour subsidies), be now read a second time and referred to a Legislative Committee; and on the amendment of Ms. Clancy (p. 8227)

The Acting Speaker (Mrs. Champagne): When the House rose at one o'clock we had just concluded hearing the remarks of the hon. member for Egmont. I see that it is not possible now to proceed with the question and comment period.

We will then resume debate with the hon member for Saskatoon—Clark's Crossing.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, it is quite clear that there is a crisis in Atlantic Canada, particularly as a result of the decline of its main industry, the fishery. Under the circumstances one would expect the federal government to be supportive of that region, to assist in economic development and social adjustment and to assist in efforts to build the economy.

As the Atlantic economy has gone from great difficulty to crisis this government has watched and waited. Like Nero who fiddled while Rome burned, this government has sat on the sidelines not helping the region in its time of need.

We have seen large numbers of government programs and amendments to government policies which have worsened the situation in Atlantic Canada. Today, we are discussing one further negative implication for that region, Bill C-26.

These policy alternatives of the government have continued to make an already grave situation worse. We have seen VIA Rail cuts which have hurt the region. We have seen amendments to unemployment insurance which have hurt the region. We have seen cuts to regional economic expansion programs which have hurt the region. We have seen high interest rates and a high dollar which have made it more difficult for that region's products to be competitive. We have seen cuts to the provinces for health and post-secondary education. As well, we have seen the beginnings of the introduction of the goods and services tax.

These are all policies of this government which further harm the economy of Atlantic Canada and further hurt Canadian families in that region. Of course, the approach of the Progressive Conservative government to the regions has been its typical, obsessive, philosophically driven, free enterprise mentality. Pragmatism and common sense are thrown to the wind, as are Canadians and their families thrown on the scrap heap.

The government appears to have forgotten, or it does not care that vicious budget cuts throw people out of work and take food from the mouths of their children and themselves. People suffer from these PC policies, and suffer dearly. Tory times are indeed tough times for ordinary Canadians and their families.

This is not so for the wealthy and for large corporations, or for the economically strong regions of Canada. The less well off regions and middle and lower income Canadians suffer greatly. Neo-conservatism and this Progressive Conservative government on the one hand and the less well off on the other hand clearly do not mix.

Today, we are considering Bill C-26, a further blow to the Atlantic Canadian economy. The at and east program which is being eliminated by Bill C-26 pays a subsidy to railways on export grain and flour moving through eastern Canadian ports.

This program was introduced in part to ensure that the ports of Halifax and Saint John, two important ports which are ice-free in the winter, could handle grain effectively and efficiently. The program has proved very beneficial to Halifax and Saint John. Almost a million tonnes of grain and flour were moved through these ports under the at and east program.

The elimination of this program will take about $30 million and 573 direct jobs, as well as 250 indirect jobs, out of the Maritime economy, an economy which is already suffering greatly from the decline of its main resource.

Further, the elevators at Halifax and Saint John will almost certainly close, meaning further job losses. If the Halifax elevator closes the only flour mill in Atlantic Canada will close, causing even further job losses. Livestock producers in the Maritime provinces will

suffer too, as will local breweries as their supplies become more expensive.

The elimination of the at and east program will constitute a major blow to an Atlantic economy already reeling from high unemployment, high interest rates and a high dollar. This is just one more attack on Atlantic Canada and reflects the uncaring and callous approach of this Conservative government to Atlantic Canada and to the less well off regions of Canada generally.

We have heard a great deal of the $130 million which have been set aside for Atlantic Canada in its time of crisis. This $130 million is merely money which was already set aside for Atlantic Canada prior to the crisis and constitutes no help for that region at all.

It is time the government stopped attacking the less well off regions and the less well off Canadians and started helping them. What Canadians need is a helping hand, not an iron fist. They need a leg up, not a kick in the teeth.

• (1520)

The government should listen to those who care about the regions of Canada, who care about Atlantic Canada and who care about Canadian families. It is well past time that this government started listening and acting on behalf of what ordinary Canadians suggest to it. It should not just follow blindly the agenda of the big business community.

For example, the government could listen to the suggestions of the Atlantic Provinces Transportation Commission which has already suggested that serious economic consequences for these maritime ports will take place as a result of the removal of the at and east program and will adversely affect the movement of export grain and flour through these ports. In addition, as I have suggested, the Atlantic Provinces Transportation Commission has indicated that grain elevator operations, port and railway employment and flour milling will all suffer as a result of the cut back in this program.

As a result, the Atlantic Provinces Transportation Commission proposed certain modifications to the program which would reduce the demand on the federal treasury, would lessen or eliminate distortions and inefficiencies and would maintain the movement of export grain and flour through the Atlantic ports. In particular, the Atlantic Provinces Transportation Commission was concerned to ensure the maintenance of the grain elevators as viable units at Halifax and Saint John, to ensure the maintenance of a commercially viable flour mill in Halifax and to ensure a flow of export grain and flour through the Atlantic ports.

This recommendation was presented to the government. The government did not even respond to it. The government is not listening to those in the region who are suggesting alternatives which can help that region and respond to the government's concerns.

The government should reconsider its approach. It should reconsider its bill. It should pay attention to the advice it gets and take seriously the concerns of the people of Atlantic Canada.

This bill was brought in with no consultation. Those who are affected by this bill did not have the matter discussed with them, and certainly did not suggest to the government any support for this proposal. As I said, it follows on the heels of other major attacks on the economy and social fabric of Atlantic Canada.

One last point which should be brought to bear on this point is that the CP line joining Montreal to Saint John may have to close due to reduced tonnage should this subsidy be removed. This would prevent VIA's Atlantic Limited from plying that route, a VIA Rail line which so many maritimers have fought so hard to keep.

Atlantic Canadians deserve better than this from this government. Atlantic Canadians deserve to be listened to. They deserve programs which help and assist them in their efforts to maintain a viable economy.

Mr. Crosby: Madam Speaker, I listened with interest to the member's remarks and remarks that were previously made in the House.

I hope the member recognizes the position taken by the Atlantic Provinces Transportation Commission. That position does not in any way support the continuance of the at and east subsidy. Everybody associated with the port of Halifax, with the agricultural industry and all other segments of industry involved with at and east recognizes that it is a poor kind of subsidization, that it does not give assistance to those who should receive

assistance. Nobody has ever suggested that the at and east should be maintained, as far as I am aware.

I would like to ask the member this question. Is his position that the bill before the House should not be passed, that the at and east should be retained and another $40 million should flow into the coffers of the railway company with very marginal benefits to the agricultural industry in Nova Scotia, to the port of Halifax, to the port of Saint John? Or would he prefer some other kind of method to assist those valuable sections of our economy—the port trade, the agricultural industry and so on?

Is he saying that he wants this anomaly that it no longer has the basis that it had when it was first introduced in 1961 to continue? Is that his idea of progress? Is that what the member wants to maintain, the *status quo* regardless of the advantages of maintaining the *status quo*?

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I would like to thank the member for his question.

If he had listened carefully to the point that I had been making with regard to the Atlantic Provinces Transportation Commission, he would have known that I was suggesting that the government pay attention to the recommendations of that commission and that the government reconsider its proposals in Bill C-26 and make real changes to the program which can ensure the economic viability of both the ports of Halifax and Saint John and preserve the jobs and the contribution to the economy which the program has provided.

There are 500 jobs at stake in an already fragile economy. It is important for the government to respond positively to those workers and to respond positively to the need to ensure that maritime farmers, the maritime brewing industry and the local economy be supported as much as possible.

What I am suggesting is that the government reconsider this bill and consider changes which will make the at and east program one which deals with the problems which are at stake. To discard it altogether, throwing 570 people on the scrap heap, along with their families, as well as a couple of hundred indirect jobs is simply not acceptable.

Mr. Crosby: Madam Speaker, I am sure if the member examined the situation he would very quickly discover that the difficulty with continuing the at and east is that it was intended to make competitive the east coast ports with ports in the United States of America. That situation no longer exists with respect to the movement of grain and flour traffic.

The competition is between St. Lawrence ports and east coast ports. If the at and east is removed the east coast ports would require some assistance to remain competitive. But all the jobs and all the money will stay within Canada in any event.

I take it the member is suggesting that the St. Lawrence ports should lose their advantage over east coast ports. I agree with the member if that is his position. I agree that there should not be special advantages to St. Lawrence ports or with the east coast ports. I hope he will make that position very clear and bring with it the support of his party for this disadvantage that has been retained over the last few decades in favour of St. Lawrence ports.

The difficulty is that in order to right the advantages and to make both east coast ports and St. Lawrence ports competitive we on the east coast need some further competitive edge. That competitive edge can be delivered if ice-breaking charges are imposed with respect to movements flowing through St. Lawrence ports.

I would like to ask the member if he is so interested in the at and east and he is so interested in the welfare of east coast ports—and his party backs him—why did they not act in this House to ensure that charges would be made against vessels using the St. Lawrence ports. Why did they fail to back that measure when it was before the House of Commons?

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, there are a number of changes which can be made to the at and east program to ensure that the Halifax and Saint John ports remain viable in terms of exporting grain. We should take every effort we can to ensure that that is the case.

I think by removing the subsidy which this bill attempts to do we do indeed favour central Canadian ports. We should be ensuring that those Atlantic ports, the two which are open throughout the winter, are indeed given the preferences they need in order to sustain themselves. We should be looking at the total support program which is represented by at and east to ensure that that continues.

Mr. Whittaker: Madam Speaker, first, I would like to compliment the member on his expertise in this area. He obviously has done his work. I would like to pick up on something that he said. It is about this Conservative party that is so hard and harsh on the people in the regions. Those from the Golden Triangle feel that everything they have they are going to keep yet those in the regions are being hit harder and harder.

I spoke to a woman from Newfoundland this morning. She talked about the GST and some of the attitudes of this government toward small business and others in Atlantic Canada. I am from the west, as is the member who was making comments, and he should know also that those of us in the regions and not in the Golden Triangle of central Canada realize that this government is on a strange journey that is going to hurt those of us in the east and west.

• (1530)

This woman in Newfoundland pointed out that one of the things missing from this government to those of us outside central Canada is communication. This government has let communication break down a substantial amount. It keeps throwing money and saying it is communicating, but in fact it is trying to send its agenda out and sell it.

What we have run into in the finance committee and every committee that sits is how to sell our programs. The government spends millions and millions of dollars in this way instead of actually listening to the people.

The member mentioned the goods and services tax, cuts in regional programs, cuts in VIA Rail, high interest rates, health and post-secondary education cuts. Can he make a comment to this House as to how he sees the lack of communication between government and the regions?

Mr. Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, I would like to thank the hon. member for his comments. Perhaps "expertise" is a little strong, but I did live in Halifax for nine years prior to moving to Saskatoon. Therefore I have some understanding of the issues there. Unlike the Prime Minister, I have been to Newfoundland and to Atlantic Canada in recent months to assess the situation there.

Clearly the situation is an extremely grave one. The government is not paying attention to Atlantic fishermen and their families. It is not paying attention to those in that region. This point was made to me on many occasions during my recent visits through the outports of Newfoundland.

It is time the government paid attention to these concerns. It is time the government listened and acted in a way which is necessary in this case, that is, it recognizes the magnitude of the problems that Atlantic Canada is facing.

Mr. Rex Crawford (Kent): Madam Speaker, I rise today to debate Bill C-26 and to argue against the principle of this legislation and against the principles the government has embodied not only within this legislation, but the very manner in which this legislation was brought forward.

The change to eliminate the at and east grain and flour subsidy, a program that has assisted in the orderly marketing of grain and assisted in providing the impetus to create a milling industry for exports since the 1950s was cancelled in the budget, as was the Advance Payments for Crops and the Prairie Grain Advance Payments programs. Its role and purpose in the budget papers has been intentionally obscured.

The actual purpose, according to the Hon. J. W. Pickersgill, the Liberal Minister of Transport who introduced the program in 1966, was to ensure that eastern Canadian ports could compete with the U.S. ports, and to enable the ports of Halifax and Saint John to compete with Montreal and other St. Lawrence River ports.

Further, as the minister stated then: "According to the Board of Transport Commissioners these rates are already unremunerative—We decided to keep these rates at their present level to pay compensation for doing so. This is because we feel there is an equal obligation in this field to the obligation with regard to the Crow's Nest. The purpose of this is to ensure that we will have rates which will provide some inducement and incentive to shippers to use the facilities of the Atlantic ports." This was was from *Hansard* committee report, transport and communications, 1966, page 1669.

However, since the budget papers fail to mention the second and third reasons, should we assume that this is because they will be eliminated in the next budget and are no longer relevant, or is the minister attempting to

hide the real reasons behind the elimination of this and other agricultural programs?

I would also point out that this program was cancelled without warning, without consultation. Certainly, in the preceding election the Prime Minister or his cabinet failed to mention plans for cancelling this or other agricultural programs, undermining orderly marketing.

It was cancelled despite the fact that three government reports—and I will be fair about this, these reports did point to some structural inefficiencies in the at and east, as there are bound to be in all programs—stated in one manner or another that if the at and east was cancelled, alternative programs to encourage export milling and alternative storage facilities would need to be introduced to protect the integrity of our orderly marketing systems.

So when the government says that it is not undermining orderly marketing by cancelling the program, one really has to wonder if it has even read its own reports.

Further, if it does tend to undermine orderly marketing, has this government introduced any alternative programs to meet these goals, and will it? What the government has done is cancel the interest provisions of the Advance Payments for Crops and the Prairie Grain Advance Payments which it knows will have serious consequences on the storage situation in Canada.

Every farm group in the country attempted to tell the government to leave that program alone. The government ignored them. The implementation of the changes in that program were so bungled and dragged out by the government for so long that the Minister of Grains and Oilseeds has since admitted that not issuing advance payments for crops and prairie grain advance payments was a mistake.

At that time we were in the opposition. We repeatedly asked the government to do what the minister now admits he ought to have done. But now he calls it a mistake. A mistake for him, or a mistake for the Canadian farmers who voted for this government thinking it would act in a manner beneficial for agriculture.

Did the government learn from its mistakes? Will the minister now recognize that leaving this program in a similar legislative limbo is likewise a mistake, or will we hear so three months down the road again how the minister regrets the mistaken manner in which these changes were handled?

The government has introduced what it calls a discussion paper on the future of agriculture. A discussion paper, when after the proverbial thief in the night, it has cut this program, the at and east, drastically altered crop insurance, and eliminated the excise fuel tax rebates all in a budget costing the average farmer $1,000 a year.

Did the government consult with the producer organizations before it cancelled the programs in the budget?

You do not have to take my word for it, Madam Speaker. Listen to what the president of the Canadian Federation of Agriculture said before the legislative committee studying Bill C-36, which is clearly true for this bill as well: "Certainly the CFA had no consultation. It was a surprise to see that particular item in the budget. I had not anticipated that item being there."

Yet the Minister of Agriculture in his green paper bemoans that there has developed, he says "an uncertain environment in which it is difficult for farmers to make long-term plans." Well perhaps instead of writing a green paper, he would have better spent his time consulting with farmers and defending their views from the knife of his colleague, the Minister of Finance, a minister who one can tell from reading his budget paper, has no idea of the purposes of the programs he is cutting.

You may very well be wondering yourself what is the principle behind this onslaught against agriculture, Madam Speaker, what principle guides it. It is a hidden agenda that is hidden no more. We have seen many of the masks this government holds, drop. Universality was the first to go, quickly followed by an Americanization of the unemployment insurance program.

In agriculture, the groundwork has begun to dismantle orderly marketing in Canada. Weak arguments and defences have been offered at the GATT to allow the government to create a defence for its lack of action, a defence that these changes are being made by a force of international sanction, that their hands are tied.

• (1540)

The truth is that the government is not defending the interests of Canada's producers. If it was, it would not be cancelling programs such as this which help maintain our export markets in the face of continued use by the U.S. and others of programs like like the Export Enhancement Program which funded grain exports to the tune of $1.5 billion in 1988, $0.7 billion in 1989, $566 million this year, and over $900 million proposed for 1991.

A month ago, the Minister of Agriculture might have looked on these statistics as some kind of victory. He might very well have said of these statistics: "Look, the Export Enhancement Program has been cut. U.S. subsidies are declining." But only because the U.S. felt its markets could be defended at that rate. The U.S. doubled it for 1991 and, if they thought tomorrow that they would need to double again to maintain their markets, they would double it again. If they had the grain to export, they would double it.

The Canadian Wheat Board is no longer issuing permits for Durum exports because of charges that the U.S. importers were exporting Canadian grain under the U.S. export enhancement program. With regard to subsidies, did the Government of Canada say to the United States: "No, we won't do as you say, we will do as you do"? No, they didn't. They said: "Sure, we will do as you say, we will cancel our export assistance programs, and you just go ahead with your export enhancement program and commodity loan programs." And the government still has the nerve to say it is defending Canada's interests at the GATT.

The government chose to accept the report on ice cream and yogurt at the GATT. It could have refused to accept that report. It could have used that refusal to defend the interests of the dairy farmers of Canada. It could have used the refusal to negotiate a strengthening of Article 11, but it did not.

To this government the GATT is not a place of tough negotiations. It is not the GATT, it is the "GIVE". That is how the government negotiates for agriculture, by giving up our rights and our programs.

However, this point might be moot, for by 1992 when the latest GATT round of negotiations is complete, Canadian agriculture will have nothing left to negotiate with, if the next three budgets are like the last one. There will be no government agricultural programs left and no orderly marketing left to defend.

What is happening must be clear to members opposite. If you have no storage capabilities, you cannot operate an orderly marketing system. By removing all the programs that allow producers to be able to afford to store crop, you force all the product on the market at once. You create a glut and orderly marketing is finished.

In 1980, there were 3,324 grain elevators in western Canada. Now there are only 1,619. Storage capacity in western Canada has shrunk from 8.76 million tonnes to only 7.1 million tonnes. The government has eliminated assistance in storing costs provided by the Advance Payments for Crops and the Prairie Grain Advance Payments. Now the at and east. What is left?

The *Toronto Star* reported that the elevators at Port McNicoll in Ontario will be blown up this spring, lessening storage facilities in Ontario by over 300,000 tonnes because of the cancelling of the at and east. It is not critics blaming the loss of the facilities on the cancelling of the at and east but the company that owns the elevators. One hundred jobs in Port McNicoll will be lost, a third of the town's tax base, let alone the damage that this will inflict on the orderly marketing of grain in Ontario.

A Minister of Transport report described the number one benefit of the program to the Ontario Grain Producers as "The at and east route helps to more efficiently utilize the limited storage and elevator space in the Georgian Bay–Great Lakes Region." Cancelling this program has already only further diminished the existing elevator space.

In the minister's green paper, he mentions the need for agriculture to be sustainable. In order to have sustainable agriculture, that literally means production within reasonable limits of what the environment can sustain over an indefinite length of time. There must be a system of orderly production and to have that you must have a system of orderly marketing.

You must have a pricing mechanism that provides a reasonable return for the producer and which allows the producer to use the land and the environment in a sustainable manner, not in an exploitive manner.

By removing the programs that assist in meeting storage needs, you undermine both of these things because they are interdependent. Gluts cause unreasonable returns which encourage the exploitation of the

environment because greater resources must be exploited in order to achieve that reasonable return.

It is simple, and because it is that simple, I do not understand why the government is acting in the manner that it is. I ask anyone who thinks otherwise to ponder these figures.

Canadian farmers are efficient. Canadian farmers are the most efficient in the world. I ask anyone who thinks otherwise to ponder these figures.

For example, milk production per cow has gone up 70 per cent in Canada since 1971. During the same period, milk yields rose only 46 per cent in the U.S. That is creating sustainable agriculture.

Or if one wants to judge efficiency by price, if we look at poultry we see that the real farmgate price of poultry has fallen by 30 per cent since the 1970s. The retail price has dropped just 10 per cent over the same period.

In terms of chicken, in 1982 the farmgate price of chicken represented 48 per cent of the final cost to the consumer. Now it accounts for only 30 per cent of the cost. Clearly, these figures demonstrate orderly marketing efficiency.

Members opposite might think that by piecemeal cutting of small useful programs the deficit and national debt can be reduced.

However, if that is really the case, then I suggest they read the 1989 Auditor General's report, pages 92 to 93. Encourage your Minister of Finance to close that $300 million loophole that benefits only large corporations. The minister says he will close it with the GST. By then, $1 billion will be lost. That $1 billion would pay the interest of the APC and PGAP for 37 years, or conversely, it will take 25 or 37 years without those programs to make up for that giveaway. The difference is that these programs provide a tangible, intentional benefit, while this tax giveaway only serves to line the pockets of large corporations in an unethical manner.

Further, I would suggest that destroying the orderly marketing will not eliminate the national debt, so why attempt to justify its destruction as debt reduction, unless you are trying to hide the fact. Is that what you are doing?

In conclusion, I just want to say that Canada has one of the greatest agricultural systems in the world. It is criminal what this government is doing to it in the name of debt reduction. Clearly, that is not what it is actually attempting to do, which is to dismantle orderly marketing.

Mr. Duhamel: I do have one question for my colleague. I want to have him confirm, if I have understood correctly, that there was no consultation, no warning, no discussion prior to or during the election that this attempt to remove this particular program would be undertaken? I want to make sure I have that correct.

Second, if I am correct, this is very similar to what has been undertaken with the goods and services tax, the transfer payments to health and education to provinces, and the reduction in agricultural subsidies. I was wondering if there were other examples that come to mind of this particular approach to government.

• (1550)

Mr. Crawford: Madam Speaker, I would like to thank the hon. member for St. Boniface for his questions. There was absolutely nothing mentioned about cuts before, after, or during the election campaign. If we get into that issue I would need another hour.

There was no mention of cuts. Also, in relation to the hon. member's second question on education, the GST, agriculture, VIA Rail, there was absolutely no mention of VIA Rail cuts during the election campaign, and the devastating removal of jobs for many people. Other countries are now getting into rail transportation. Also, the government did not mention one thing on the environment. There was no environmental study on the elimination of rail transportation compared to the infrastructure of trucks and automobiles. There was one page which they called an environmental statement, which it was not.

Another thing is agriculture. In my riding during the campaign the Minister of Agriculture stated that we had a $3 million grant to clean up the Sydenham River basin. For over 13 months I have been fighting to find out what happened to the $3 million.

Mr. Walker: They stole it.

Mr. Crawford: Well, they have stolen many things.

The plans they said they had, the cuts that were never mentioned are things I find hard to believe. But I do thank the hon. member for the question. I would like to compose myself as I became a little excited over the many things this government has done wrong, the promises broken.

Mr. Arseneault: I would like to congratulate the hon. member for Kent on his fine speech. He really set out some of the problems and the impacts that cutting back this program will cause not only in Atlantic Canada but in central Canada.

As the hon. member probably knows, the provinces in Atlantic Canada are now suffering severely. There is a fisheries crisis not only in the offshore but inshore as well. There is high unemployment, we have cut-backs in ACOA, we have a problem with VIA Rail, where the Conservative government has shown no heart and has cut back. We had a recent announcement by the minister regarding cut-backs in summer training programs for university students. Again, there is the threat of cuts in transfer payments. I would like to ask the hon. member to confirm that this program will have a very negative impact, not only on the Atlantic provinces but on central Canada as well.

Mr. Crawford: Madam Speaker, I thank the hon. member for his question. For the farmers of my area of southwestern Ontario, which I have referred to as central Canada, this will be devastating. We like to think of our area, and especially my own riding, as the garden valley of Canada. It has the richest land, and great weather, for Canada.

Almost every day in my area, as in the eastern provinces, farmers are going bankrupt because they cannot compete with programs such as this. Yesterday, the market for corn was $2.66 a bushel and it costs $2.82 a bushel to grow. How can they survive? And then these programs are cancelled. Interest is now being charged on the advance payment for crops program. If a farmer cannot afford to store his crop, he cannot afford to pay interest. If he is going to pay interest, the bank wants the money. How can he afford to put up storage bins? I have neighbours who are in the business of building storage bins. They are losing this run-off from the one point of cutting back and amending the act to say we have to pay interest on the loans. It mushrooms for people. They are losing their living through their agricultural losses.

I do not believe there will be any agricultural grants left after the budget today. The farmers now pay gasoline taxes. We are competing under the free trade. I have not even got into the free trade issue. My riding is on the border and I know what free trade is doing to us in our area. The city of Chatham has over 12 per cent unemployment so we are starting to equal the Atlantic provinces. We are supposed to be one of the richest areas of Ontario and yet we have over 12 per cent unemployment.

We are so close to the border the companies that are owned—and they are 90 per cent owned by American firms—are taking their companies back, laying employees off here and upping production in the States. All this around the agriculture industry and the grants that the government has dropped.

Mr. Howard Crosby (Halifax West): Madam Speaker, I would like to place on the record a few brief remarks concerning Bill C-26 and the action taken under that bill to remove the so-called at and east subsidy. Being a representative of the port of Halifax I think it is particularly fitting that I add my comments because it is the port of Halifax and the farmers in the agricultural industry of Nova Scotia that are primarily affected by the divisions of this bill.

Of course, there is a profound effect in the port of Saint John and other areas of Atlantic Canada, but I think the very specific effect of this bill falls within the port of Halifax and the agricultural industry. It is important that the person representing some of those interests express a view in the House of Commons.

Bill C-26 is reality. We on the government side are facing the realities of our economy in Atlantic Canada. I am sure even the member for Kent recognizes that when subsidies are utilized, there is a distortion that takes place that can have an undesirable effect. That is exactly what has happened over the past 25 years and more with respect to the at and east subsidies.

The at and east subsidy was initially conceived as a method of allowing east cost ports within Canada to compete with ports on the east coast of the United States. The purpose of the subsidy was to balance the cost of grain and flour shipments eastward primarily for the export markets. Nobody would deny that it was an

important measure at the time and it had a desirable effect. However, it does not meet the realities of the economy or the transportation system as we approach the decade of the 1990s and the 21st century. If we are simply going to continue these subsidies without taking steps to remedy the economic difficulties that they are designed to offset, then we are not going to make any progress either in terms of the Atlantic economy, the port of Halifax, the agricultural industry, or any other aspect of our national or regional life.

In very specific terms, the at and east subsidy on an annual basis poured $40 million into the coffers of the railways of Canada. The expenditure of funds was directed at the railways of Canada, even though the intention was to assist east coast ports at the time the subsidization was established. Because of the operation of the subsidy over a long period of time, there was substantial benefits to the agricultural industry particularly in the area of feed grains and related matters.

• (1600)

There was also a substantial benefit to the flour milling industry. In fact, a flour mill, Dover Flour Mill, was established on the east coast and is still there. We can see how subsidization not only accomplishes the goal that perhaps was intended in the original inception of the subsidy, but it creates other situations which have to be addressed. In particular the at and east was the basis for assistance to the agricultural industry, particularly in Nova Scotia, because it allowed feed to be delivered at a lower cost to those involved in the raising of livestock. It benefited the port of Halifax and supported the grain elevator there as well as the grain elevator in the port of Saint John.

As it is often said, that was then and this is now. We find now that the public funds that come from the taxpayers of Canada are being directed to the wrong source. The value of the at and east subsidization in the 1990s and beyond is the assistance that it provides for the agricultural industry, for the livestock sector of the agricultural industry as well as the port of Halifax and other ports, and the flour mills that have been established because of the existence of the source of supply.

If members opposite were being realistic and honest about this situation they would allow Bill C-26 to pass, end the at and east subsidy, and then lobby, argue and present a case for direct assistance to the farmers who were affected and have been receiving an indirect benefit, assistance to the port of Halifax, to the operators of the grain elevator in the port of Halifax and in the port of Saint John, and to other segments of the industry that might be adversely affected by the withdrawal of the at and east subsidization. I do not think any member of this House of Commons would stand up and demand the continuation of subsidization to the railways of Canada simply because the railways carry flour and grains eastward from the place of production.

Let me focus on that point because we just had a member from Ontario get up in the House of Commons and argue in support of the at and east and against the passage of Bill C-26. If that member wanted to help farmers in Nova Scotia and in the Atlantic area, he would be arguing in favour of the withdrawal of the countervail on corn. Then farmers on the east coast could get their feed cheaper because they would not have to honour the existing countervail which is in place to protect Ontario producers.

The member could also argue in favour of special permission to import into Canada other feed grains, oats and wheat, for use in the agricultural industry. There are all kinds of solutions beyond the at and east, but members never mention those solutions. They will not deal with the problem, and that is very much the problem with opposition members when a proposition is presented to the House of Commons. They simply argue against the proposition. They try to defeat it. They do not try to resolve the problem.

I hope the people of Canada, particularly the people in Nova Scotia and Halifax, will realize that the withdrawal of the at and east subsidy is the first step to trying to address the problems that are now allowed to fester because of the existence of at and east. In other words, redirect government funding to the proper source. As I said and I repeat, that source is not the railways of Canada. That source is the port facilities, the agricultural industry, the milling industry and particularly the milling of flour which is indirectly supported at the present time by the at and east.

There is no question that if the problems in the agricultural industry and in the port facility are not addressed there would be a loss of employment. But if

action is taken to provide assistance in other ways, other than through an uncontrolled subsidy like the at and east, those kinds of problems can be resolved. In fact, the Atlantic Provinces Transportation Commission has proposed a number of measures that could be taken to offset any harm caused by the at and east. Members opposite should direct their minds to those proposals as I am sure members on this side of the House will do.

The vital point is that even the Atlantic Provinces Transportation Commission recognizes that a first step is the abolition of the at and east. I think it is unfortunate from the point of view of those involved in the port facility and those involved in the agricultural industry that we do not have side by side with Bill C-26 a proposal to address some of the items that have been brought forward by the Atlantic Provinces Transportation Committee and others. Surely that will come in time.

As long as the at and east subsidization is in place, nothing is going to change. Persons who raise livestock in Nova Scotia and other Atlantic provinces will not know what the future holds because nobody has supported the at and east subsidization as the proper resolution of the problem.

There are at the present time, and I want to be quite frank about this, real dangers to the continued existence of the grain elevator in the port of Halifax and the port of Saint John. I am sure all of us on the government side will call upon the ministries to recognize that problem and to take appropriate action. I think everybody on the government side recognizes the problem faced by farmers in Nova Scotia with respect to the raising of livestock and the fact that they are not in a competitive position.

I want to remind the House of what took place prior to the April 1989 budget. At that time there was considerable concern among members of the agricultural community that feed freight assistance would be eliminated. Members of the agriculture industry made it clear that they wanted the feed freight assistance to continue. As a result of their representations the feed freight assistance program was continued. But everybody, including government and industry people and everybody else concerned with the problem also recognize that the solution to the feed problem is self-sufficiency. If the industry could become self-sufficient with respect to feed grains the problem would be removed.

What the government has put in place is a program to foster self-sufficiency in feed grain for the east coast livestock industry. I think everybody recognizes that the solutions lie in that direction. In a similar vein, the solution to problems for mills on the east coast, particularly the existing mills and the grain elevator that is associated with the transportation of grain and grain products and flour, lies in other programs and other forms of assistance.

Why members would continue to block passage of the bill and seek ways to prevent its passage is beyond my comprehension. I do not see anybody in industry or any other place telling us to keep the at and east in place. If the motion before the House of Commons to give Bill C-26 a six-month hoist were passed, the at and east would continue and nothing would be resolved.

I want to stress again the fact that Bill C-26 is about reality. It is about the realities of the agriculture industry, the realities of the port industry and the realities of the milling industry.

Mr. Laporte: What is your alternative?

Mr. Crosby: If you are not willing, as a member of the House or Commons, to face reality, then you are not going to help the people of Canada resolve any problems. We have seen that time and time again in this House of Commons.

The New Democratic Party and every one of its members will not face reality. They want to create a panacea. They want to pretend that there are simple solutions to complicated problems. They want to nationalize poverty and make it an asset available to them because they know that only poor people will support their policy. If they were to create wealth across this country, they would lose their support. Their support lies in the welfare programs. Their support lies in the government assistance that they want to give to people. That is the way they attract their support.

• (1610)

I do not think everybody in this House of Commons realizes that that is not the way the Progressive Conservative government attracts support. We attract support by recognizing the economic realities of a nation by moving to resolve the problems that exist and in that way create a future.

We are not ashamed to create wealth. We are not ashamed to give the poor people of Canada an opportunity to better their position. We do not want to keep them in their state simply so they will provide a voting base for our party.

The future of this country lies in creating wealth. The first step in creating wealth is to recognize the economic problems that exist. Bill C-26 recognizes the problem that exists. It is a first step to remedying it. I hope every member of the House will recognize that and not hide behind some alleged solution which they know does not exist that will allow the problem to continue and that will have a "crass appeal to their own electorate".

Mr. Hovdebo: Madam Speaker, for the party that has created a lot of poverty and which is in the process of institutionalizing it, it is good to hear the hon. member talk about wealth.

Concerning the record of consultation of this particular government, and in particular the consultation on this particular issue, the Atlantic Provinces Transportation Commission put before the government an alternative approach which it thought would ease the situation. It said: "This is what we can do with at and east when the time comes". It has put before the government other alternatives in terms of what needs to happen to keep them in a survival mode if the government does pass this bill.

The impact of the proposal to terminate the at and east rates would be against the farming community, both in the Atlantic provinces and elsewhere. What is being talked about here is the importation of barley, wheat and oats from France and other European countries that can supply the east coast of Canada cheaper than domestic suppliers.

These are the kinds of solutions that are going to have to be put in place if alternatives to the at and east are not established. We in the west and in central Canada cannot supply from central Canada and from the west those products which are needed in the east.

The alternatives mean an impact on the west and central Canada. It is too bad that the reason for this particular change of direction by the government is based on ideology alone because when the at and east was established originally it was not entirely to keep the grain going to Buffalo and New York. It was intended to keep the facilities along the Atlantic coast operating.

In fact Jack Pickersgill said that it was to ensure that we would have rates which would provide some incentive to the shippers to use the facilities of the Atlantic ports.

Does the hon. member not recognize that even his own port is going to be affected negatively by this bill and that Saint John is going to be affected more so?

Mr. Crosby: This is a great example of House of Commons debate. If the debate goes on long enough, the truth emerges.

The members on the other side who are standing to oppose Bill C-26 are not trying to help Atlantic Canada. They are not trying to help the port of Halifax or the agricultural industry in Nova Scotia. They are trying to help their own self-interests. They are trying to help western farmers. They are trying to help corn producers in Ontario. That is perfectly legitimate, but stand up and say that. Do not pretend you are helping the port of Halifax if you are from Saskatchewan. Do not pretend you are trying to help the agricultural industry in Nova Scotia if you come from the corn production belt of Ontario. Tell the truth. That is all anybody wants. Just tell the truth.

Let me deal with the point about consultation. It is strange the member would suggest there was no consultation when I have here before me a paper from the Atlantic Provinces Transportation Commission detailing their lobbying on the Atlantic region freight assistance program. They say it is safe. They say they have consulted with the government and the feed freight program is safe. They talk about the at and east. They mention that it is terminated and that it will produce some economic difficulties.

How about this for consultation? They say right in their paper that their concerns will be followed by an early meeting under the auspices of Transport Canada at the regional level to evaluate the impacts and seek out possible means of minimizing the negative impacts on the Atlantic region. That is what is all about. Get rid of the at and east and then remove the damaging impacts, if any, by other programs. That is simple enough.

Mr. Walker: Madam Speaker, the convoluted speech we heard was only matched by the convoluted answer to the preceding question. Let us see if we can bring some

logic to bear, though it might catch the member off guard at this time of day.

I do not mind people flacking for a minister, but when they read from a press release, then all logic is lost. It is very interesting that the NDP and the Liberals have to defend the maritimes. One reason we are defending the maritimes is that the members on that side of the House who were elected from that area have walked out on them. This is a perfect example. The government has taken away another benefit from that area, as it has taken away so many benefits in the last five years.

The hon. member stands up and says: "If it is good enough for the Prime Minister, it is good enough for me and it is good enough for my people. I do not care about all the downsides."

I would like the hon. member to describe in a sentence or two exactly what he believes is the way the federal government is helping these people in the maritimes. All we see from this side of the House is the removal of funds from regional economic development, the loss of transportation subsidies and all the infrastructure help that used to be given under previous governments. There is nothing but taking away.

Just before we hear the budget in 10 or 12 minutes, we have seen that back-bencher give a perfect rendition of what everybody on that side is going to have to go through for the next couple of weeks. Perhaps he could just give us a little insight as to what he thinks this government is actually doing for the maritimes.

Mr. Crosby (Halifax West): Apparently the member thought my presentation was convoluted. I do not have a blackboard, but let me try to make it as simple as I can. Write $40 million. It is hard for a member of the Liberal party to understand dollars and cents, but just take that $40 million and give it to the railways of Canada. Then figure out what the railways of Canada are going to do for Atlantic Canada with the $40 million. The answer will come back very quickly; nothing. The facilities have been in place for a hundred years. They do not spend a nickel or a dime of that subsidization on facilities.

We want to take the $40 million and apply it in some other way, or some part of it. I do not mind if some of it goes to reducing the deficit, because that is what is creating the economic problem in the first place. I do not expect members of the opposition to understand that.

Let me give a concrete example in case the member did not get that first exercise. The Atlantic Farmers' Council say there are one million tonnes of feed grain per year utilized by livestock raisers in Atlantic Canada. Now, 500,000 tonnes is for local consumption. Approximately $20 a tonne is saved by farmers because of the at and east. We only need to subsidize the purchase of the feed grains by that amount and we will have satisfied the farmers in their difficulty. I hope that is understood.

We do not even need to do that. If we do not protect Ontario corn growers, we can remove the countervail. If we do not protect other segments of the industry in other parts of Canada, we can allow for imports. But the member from Saskatchewan has already said no to imports. Do not import feed grains into Atlantic Canada, make them pay the heavy price they have to pay for getting western grains. That is why he wants the at and east subsidy, because he wants to sell grain. I do not blame him for that. But do not pretend you are trying to help Atlantic Canada.

• (1620)

Mr. Crawford: Madam Speaker, I have a question for clarification. I believe I heard the hon. member from Halifax state that they are trying to help the eastern farmer by being more efficient. I will be quite honest with the hon. member. If he helps the eastern farmer, he will help farmers in central Canada because we are both going under. I want him to clarify his statement that there is a plan to help the farmer become more efficient. Right now our inputs are more than we get for our crops. If the member can explain it to me, maybe I can support the bill. I doubt it but you explain it to me.

Mr. Crosby: Madam Speaker, apparently the member is not aware of the assistance now provided to the livestock industry in Atlantic Canada through the Feed Freight Assistance Program, which also involves subsidization. In that case, however, the government subsidization is between the persons who receive the subsidization, the industry people, and the government.

We just do not funnel funds out according to some formula introduced by the Liberal government 30 years

ago, which we are supposed to continue just because Mr. Pickersgill or somebody put their name to it.

Times and circumstances change. The subsidization is not accomplishing the desired effect. It is not realistic, as I said at the outset. I can do no better than to repeat it. Bill C–26 is about reality. If the hon. member does do not want to face reality then I can understand why he will not support Bill C–26.

Mr. George S. Rideout (Moncton): Madam Speaker, it is a pleasure to listen to the comments from the members opposite about the benefits of Bill C–26 for Atlantic Canada.

When we analyse what this government has done over the last few months, we have to wonder what will happen to us in Atlantic Canada.

Bill C–26 is a clear example of how this government treats Atlantic Canada. I listened to the hon. member for Halifax West tell us that we should give up on this particular subsidy and this particular grain handling bill. In the meantime we can wait to see what happens and maybe argue for something else.

Atlantic Canadians are fed up with giving up. We have given up our VIA Rail system. We have given up almost every type of support mechanism that has been available to Atlantic Canadians over the years. The hon. member for Halifax West tells us to continue to give up. Quite frankly, Atlantic Canadians are fed up with giving up.

It is interesting to listen to government members and their code words. They talk about the bottom line, market forces and subsidies. In the final analysis, we see they are caught in the dilemma of the free trade agreement. They have to abandon the unemployment insurance program that involved government participation because of the free trade agreement.

Now, Bill C–26 forces the government to give up support to the grain handlers in Atlantic Canada, to the railway industry and to all the other support industries because in part the free trade agreement was poorly negotiated and left Atlantic Canadians in the lurch.

As the government proceeds step by step with its agenda, we realize that it is tearing apart the total infrastructure that has functioned well in Atlantic Canada. Consider, for example, the lack of support for the Trans-Canada Highway in New Brunswick, and the dismantling of all of VIA Rail except for the mainline. With the removal of this at and east subsidy, we will see more CN and CP lines abandoned.

The government states that it is doing this for Atlantic Canada, and is behind us 100 per cent. It is all nonsense, it is not behind anyone.

The purpose of the program was to allow the Atlantic Canadian ports an opportunity to survive and compete against the Americans and also the Upper Canadians in Montreal. The government wants to take that advantage away. It is telling Atlantic Canadians to sink or swim on their own. What it will do is is cut off all the life supports now, and then ask the goverment to come back and try to negotiate after they lost everything.

That is totally unacceptable to us in Atlantic Canada. The problem is that when you only deal with bottom lines and with numbers, statistics and data like that, you forget that there are people involved. There are people who have jobs. There are people who have families and children going to university. Where are they left when this government is through taking away every type of support mechanism that is available?

Members opposite often tell us solutions. The Atlantic Provinces Transportation Commission offered solutions. It put a proposal on the table a year ago, and the government simply ignored it and brought in Bill C–26. It did not listen to the Atlantic Provinces Transportation Commission. It did not listen to anybody. It just went ahead and did what it felt was right, which turns out, as usual, to be wrong.

It is no wonder, when you look at the polls that were released today that in Atlantic Canada the government is down to about 20 per cent in popularity, with the Liberal party at 67 per cent. It is because it has destroyed the confidence of Atlantic Canadians in their government and what it is doing. While the government talks about regional disparity and trying to hold this country together, at the same time it dismantles everything which Atlantic Canadians hold dear in all of their structures.

The government has botched its handling of the fishing industry. It has botched the railway industry. Now it has botched its handling of this issue.

This is a critical aspect of development in Atlantic Canada. The program has been in existence since the

1960s. It has been beneficial to Atlantic Canada. I believe that as this government adopts a very callous attitude, the alienation of Atlantic Canadians, of the people in the north and in the west toward the central government will have nothing but an adverse effect on Confederation and on how we as a country see ourselves.

I know that my time is waning because we are going to hear of more cuts, more hardship, more havoc on all the citizens of Canada—not just Atlantic Canada—coming up in about a minute and a half. I will defer any further comments. I want to hear what the Conservative government is going to do for us. It has done so much to us so far that I cannot imagine that there can be anything left that it can take away from Atlantic Canada.

It is a continuing drama of cut-backs on the basis of bottom line. The government is suffering from that rare disease called "deficititis". It plays the smoke and mirrors game of adding on here and changing the funding there. The net effect is that Atlantic Canadians lose. They have lost before, and they are losing now with this bill.

Some hon. members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Champagne): Pursuant to order made Monday, February 19, 1990, the debate is now adjourned.

Mr. Speaker: Order. It being 4.30 p.m, pursuant to order made Monday, February 19, 1990, the House will now proceed to the consideration of Ways and Means Motion No. 13.

* * *

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Michael Wilson (Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

He said: Since 1984, this government has been following a consistent and comprehensive plan to ensure that Canadians can benefit from a rising standard of living and a quality of life second to none in the world.

As a vital part of that plan, we have been striving to gain greater control over our nation's finances.

We have attached a very high priority to this objective. Because as we achieve it, we will gain greater flexibility and independence of action to meet the priorities of this government and of Canadians.

Last year I set out a five-year deficit reduction plan to achieve this objective. It was, and is, the right course to follow.

The deficit for this year is on track at $30.5 billion. But our future progress is endangered by deeply entrenched inflationary pressures.

Today I am asking Canadians to join in a broadly based program to reinforce our efforts to control government spending. This program will keep us on a track that will allow us to achieve the goals that I set out in my last budget: We will reduce the deficit to $28.5 billion this next fiscal year; We will cut it in half to $14 billion in three more years; and, We will reduce it further to $10 billion in the year after that.

This will mean that within five years the government will begin to buy back its bonds and Treasury bills. The country will be on a clear path of substantially reducing the burden of debt.

Last year I said that for every dollar the government collects, the interest on our debt was 35 cents and rising. That is money we can not use now to get taxes down or to address priorities such as environmental protection, research and development and skills training. We must pay those interest costs. In this budget I will show how, over the next five years, we can reduce that 35 cents to 26 cents—and keep it going down.

[*Translation*]

Reducing the share of revenues we pay out in interest will increase our capacity to meet the aspirations of Canadians.

That is one important reason for reducing our deficit. There are other important reasons.

Every additional dollar of deficit we incur today means an increased burden of debt for future generations. We have a responsibility to our children and grandchildren. To build for them, not to borrow from them.

[*English*]

Reducing the federal deficit will help ease inflationary pressures. That will help reduce interest rates.

Reducing the federal deficit will reduce Canada's reliance on foreign lenders. It will strengthen our sovereignty as a nation.

These are all powerful reasons for holding to the plan we started in 1984.

Much progress has been made since then. We have significantly reduced the burden of government. The growth of spending on all government programs and services has been well below the growth of the economy and even below the rate of inflation.

We have reduced the size of the public service by 12,000. The public service today is the same size as in 1973, despite the fact that Canada's population has increased by about one-fifth. Overall, spending on government operations is less now than it was in 1984.

When we first came to office, the federal government was spending $16 billion more on programs—everything except our interest costs—than it collected in revenues. Today our program spending is $9 billion less than revenues. We have turned an operating deficit into an operating surplus—a turnaround of $25 billion in just five years. And 70 per cent of this progress results from expenditure restraint. To achieve that progress, we have reduced program spending as a share of the economy to the lowest level in almost 20 years.

Canadians know that this progress has been hard-earned. They have felt the impact of the tough but necessary decisions to protect and strengthen Canada's future. While our actions have meant difficult adjustments for many Canadians, the economic results have been good. The economy has expanded for seven consecutive years. Employment has grown strongly. After-tax incomes have risen. Economic opportunities have been increased. Poverty has been reduced by the best kind of social policy—more jobs.

[*Translation*]

The actions in this budget will ensure that we make continued progress in the years ahead by facing squarely the twin problems of high deficits and high inflation.

I am proposing a two-year expenditure control program that will affect all areas of government spending with the exception of income support programs for seniors, families and veterans, unemployment insurance, as well as the equalization program and Canada Assistance Plan payments to lower-income provinces.

[*English*]

A number of programs will be limited to 5-per-cent annual growth for the next two years. Others will be frozen at their current levels. Some will be cut or eliminated. Government operations will be tightened further.

There will be no new taxes in this budget.

• (1640)

The spending control program, together with the restraint measures announced in December, will save $3 billion in the first year and close to $4 billion in the following year. The savings will total well over $19 billion over the next five years. Our operating surplus will grow from $9 billion today to $31 billion in 1994-95.

Implementing the expenditure control program this year will require the patience and understanding of Canadians.

In my budget last year, I spoke of the importance of easing the inflationary pressures that have been building in most parts of the country. Only by easing demand and cooling out these pressures can we re-establish a solid track of sustainable non-inflationary growth.

The economy is in a period of slower growth. This is not surprising. Nor should we try to avoid it.

This will not be an easy year. But as we move through it, let us not forget what we learned together in the early 1980s when inflation got out of control. Let us not relive the sense of despair, the sinking confidence and the personal hardship that resulted from the 20-per-cent-plus interest rates brought on by soaring inflation.

Let us instead remind ourselves of why we must solve our deficit and inflation problems now. To do so will allow us to build a secure and rewarding future on a solid foundation: a responsive government with the financial room to manoeuvre to maintain valued services and tackle new challenges; a dynamic economy that provides rising living standards and growing opportunities to build full, satisfying lives; a confident, economically sovereign

country that is competitive abroad and in control of its destiny at home.

This is the future we have been building since 1984.

The way to achieve it is to follow a clear plan of responsible fiscal and economic policies to reduce inflation and create a better climate for lower interest rates; policies that increase our ability as a nation to earn our way in the world and to pay our way at home.

This government will continue to do, not what is easy or popular for itself, but what is right for the country.

BUILDING THE FOUNDATION FOR A BETTER FUTURE

To ensure a strong economic foundation for the future, we are moving forward with the broad plan that we set out in November 1984.

The plan has two main thrusts: to put the government's financial house in order; and to foster a dynamic, innovative and competitive private sector.

Our actions have challenged Canadians and encouraged them to change their ways of doing things.

But let's be clear about the real source of pressure for change. It is not the government. It is the rapidly evolving and increasingly competitive world in which we must earn our way.

The pace of international economic change has been accelerating during the past decade as more and more of our trading partners have implemented major economic reforms. The adjustments that we and others have been making have been spread over many years. By contrast, the adjustments faced now by those in Eastern Europe are daunting in their speed and scope.

The powerful combination of political and economic freedom will increasingly unleash the creative energy of individual initiative, and bring more and more countries into the competitive mainstream of the world economy. We, as individuals and as a country, must be ready to deal with this and take advantage of the opportunities it presents.

[*Translation*]

EXPANDING OUR ECONOMIC POTENTIAL

In this changing world, Canada needs a dynamic, flexible economy that responds quickly and effectively to new challenges and opportunities; a more open and market-oriented economy that brings out the best of our competitive abilities.

Toward this goal, our economic plan has proceeded with many initiatives designed to strengthen the basic structure of the economy and provide a better framework to allow our economy and Canadians to adjust to change. These structural reforms will increase our competitiveness and expand our potential for growth and job creation. They encourage private initiative, remove obstacles to economic growth, secure access to markets, increase investment and improve efficiency. They contribute to a more productive and prosperous Canada.

The Canada-U.S. Free Trade Agreement is opening up new opportunities in the large American market. This initiative alone will lead to an ongoing 3.5 per cent increase in our economic output. These gains will be shared by all regions.

[*English*]

Scrapping the National Energy Program and deregulating the energy and transportation sectors have reduced government interference in these key parts of our economy.

The reform of the income tax system lowered tax rates and eliminated tax breaks and loopholes. It has increased economic output by increasing the incentive to work, save and invest.

The new Labour Market Development Strategy will upgrade the skills and increase the flexibility of the work force. Better training means better jobs for Canadian workers. It helps them adapt to new technology and change.

PRIVATIZATION AND CROWN CORPORATIONS

Our program of privatization and improved management of Crown corporations is contributing both to greater economic efficiency and deficit reduction. Since 1984, the government's holdings in 18 corporations have been sold or reduced. Eight others have been dissolved. The number of Crown corporation employees has been

reduced by 75,000 partly through privatization and partly through rationalization and the elimination of waste and inefficiency.

The financial health of many Crown corporations has substantially improved. Canada Post has turned a $400 million deficit into a profit and is continuing to improve its service. Canadian National has reduced its long-term debt from $3.5 billion in 1986 to less than $2 billion in 1989. To ensure a better return on the public's investment and to contribute to deficit reduction, profitable Crown corporations will return more to the government as shareholder in the form of dividends.

We will continue to privatize Crown corporations and sell investments where government ownership is no longer needed to meet public policy objectives.

In 1984, Petro-Canada was mandated to operate as a commercial corporation in a competitive private sector environment. Further expansion of Petro-Canada depends on having access to the full range of financing opportunities available to private sector corporations.

Following consultations with senior management of the corporation, the government has decided that the time has come to allow direct public ownership of Petro-Canada. The Minister of State for Privatization will provide further details in the near future and legislation will be introduced later this year. The government is confident that a privately owned, Canadian-controlled Petro-Canada will play a strong and growing role in Canada's energy sector.

• (1650)

We intend to sell the government's shares in Telesat Canada, which has now achieved commercial success as a satellite communications carrier. This sale will help encourage even greater innovation in a key high-technology sector of the Canadian economy.

We are also winding up a number of Crown corporations and other agencies whose functions can be handled effectively by other organizations.

SALES TAX REFORM

The replacement of the existing manufacturers sales tax with the Goods and Services Tax is a key part of our economic plan. It will strengthen economic competitiveness, contribute to deficit reduction and lead to a fairer sales tax system.

Replacing a hidden tax with a tax which will be visible and comprehensive is difficult. It isn't popular, but it is necessary.

The existing tax destroys jobs. It makes our exports less competitive and favours imports over Canadian-made products. It costs Canada $9 billion in lost annual output. The GST will unlock that potential for new growth and jobs. The benefits will be felt in every region of Canada.

The existing federal sales tax is subject to significant tax avoidance. By replacing this unreliable tax, the GST will put our deficit reduction plan on a stronger foundation.

[*Translation*]

Through the GST refundable credit, the fairness of the tax system will be improved. Families with incomes up to $30,000 will be better off than under the existing system. Three-quarters of all families headed by seniors and single parents will have more after-tax income under the GST.

In response to concerns expressed by the small business community, the government is continuing to work with the provinces to seek ways of minimizing the compliance burden of the tax.

[*English*]

REALIZING THE POTENTIAL

Taken together, all of these reforms will significantly increase the capacity of the Canadian economy to produce goods and services. They raise our potential sustainable growth from an average of 2 3/4 per cent annually to more than 3 1/4 per cent. Achieving that growth will mean more jobs and a higher standard of living for Canadians. Over a five-year period, it will lead to a gain of about $2,500 for a household of four.

The challenge we face is to realize this higher potential for growth so that we can achieve those benefits. The record shows that Canadians have responded well to the challenge of change and adjustment since 1984. We have an outstanding record of growth and job creation. Almost 1.6 million more Canadians have a job today than in 1984. Average incomes have steadily increased, not just in total dollars but in real, after-tax income. This means there are now 750,000 fewer Canadians exposed to poverty.

GETTING OFF THE DEFICIT TREADMILL

To achieve our potential for greater economic growth and job creation, we must build on the hard-earned fiscal progress we have made.

Let me explain clearly the deeply rooted nature of the problem we are facing, and why it can be solved only with patient, determined, year-by-year effort.

In a real sense, we have had to fight not one deficit, but two.

In 1984, the federal government was living far beyond its means. It had to borrow $16 billion just to cover the difference between spending on programs and services and the revenues it collected. That was the first deficit—the operating deficit.

At the same time, a $200 billion mountain of debt was generating more than $22 billion in annual interest charges. Every penny of this interest was paid by additional borrowing. This was the second deficit.

Before we could even begin to deal with this second problem, we had to eliminate the operating deficit that was caused by too much program spending and eroding revenues.

REDUCING GOVERNMENT EXPENDITURES

As part of a measured, long-term plan to restore a better fiscal balance, we immediately launched a broad and sustained effort to reduce expenditures.

The first priority was spending on government operations—the cost of running the government. In 1984, this cost $17.4 billion. We have cut this to $16.8 billion in spite of a larger workload.

In December, the President of the Treasury Board announced further steps to eliminate waste, improve efficiency and save $1.4 billion over the next three years. We have imposed a freeze on federal government construction in Ottawa and travel restrictions on Members of Parliament and public servants. We are closing some parliamentary restaurants, selling two government jets and amalgamating or closing some government agencies.

Waste is being eliminated. Productivity has been improved; it will be further improved by measures in this budget. We will continue to seek out ways to eliminate waste and inefficiency in the months and years ahead.

We also eliminated outdated programs and restructured or restrained others. We eliminated energy subsidies, closed heavy water plants, reduced the VIA subsidy and eliminated the Canadian Exploration and Development Incentive Program. With tight discipline and good management, the program spending that amounted to 19.5 per cent of the economy in 1984 has been reduced to 16 per cent this year. That is equivalent to a $22 billion reduction in spending.

But the problem we faced in 1984 was not just too much spending. Federal government revenues had been declining as a share of national income since the mid-1970s. This happened for a number of reasons, including the growth in special tax breaks and the flaws in the federal sales tax. We eliminated those breaks, closed loopholes and increased revenues. Revenue, as a share of national income, is now back to the average level of the 1970s.

In 1987-88, we reached the first major milestone in the battle against the deficit when we turned the operating deficit into a surplus which now stands at $9 billion. This is major progress. It is a fundamental structural change in the balance of spending and revenues.

SOLVING THE DEBT PROBLEM

Because we now have an operating surplus, the total deficit today is less than the borrowing required to pay the interest on the debt. The reason for the rapid increase in borrowing costs needs to be better understood.

Compound interest—the interest paid on interest—is a great friend when you have money in the bank. Money invested at a compound rate of 10 per cent doubles in about seven years. It quadruples in about 14 years and grows to almost eight times its original size in 21 years.

But the same thing happens in reverse when you have to keep borrowing to pay the interest on a debt. In the time it takes a newborn child to reach the age of 21, a $200 billion national debt at a compounded rate of 10 per cent would grow to almost $1.5 trillion, all on its own.

Despite the fact that we have cut the annual growth of the debt from 24 per cent to less than 10 per cent since 1984, the debt is still growing faster than the economy—faster than our ability to pay.

• (1700)

[*Translation*]

Our public debt has grown from $200 billion to $350 billion in five years. Fully $120 billion—more than 80 per cent—of this increase consists of the compounding interest on the original $200 billion. That shows dramatically how important it is to get off the treadmill of borrowing money to pay interest on the past debt. It also helps to explain why the deficit is still at $30 billion in spite of the reduction in spending and increased tax revenues over the past five years.

[*English*]

This year alone, interest payments will cost us close to $40 billion—equal to $1,500 for each and every Canadian. That is ten times higher than 15 years ago.

A public debt growing faster than national income does more than feed on itself. It consumes more and more of the dollars we need to maintain existing programs, meet new priorities and keep taxes down. Ultimately, it consumes the hope and the opportunity that should be the legacy we pass on to our children. Instead, a runaway debt becomes our legacy.

The children of today and tomorrow do not have a vote in this matter. We do, and with it comes the responsibility to protect their future from a crippling burden of debt.

With the expenditure control actions in this budget, we will ensure that our operating surplus continues to grow. This is essential. But we also need to ease the burden of rapidly growing interest payments. And to do this effectively we must continue to deal firmly with the greatest single threat to our continued fiscal and economic progress: high inflation.

CURRENT FISCAL AND ECONOMIC CHALLENGES

After seven years of strong economic growth, the economy has exceeded its productive capacity. This has fuelled inflation. The current slowing of the economy is helping to ease the strain, but underlying inflationary pressures remain too high. We must lower inflation as quickly as possible. This is the only way to get interest rates down so that we can put the economy back on a sustainable path of expansion and make further progress on the deficit.

The prospects for lower inflation and interest rates depend crucially on keeping costs under control. If we try to take more out of the economy than it is capable of producing, our inflation problems will worsen and the economy will suffer. Responsible price and wage behaviour will speed the process of getting inflation down.

Federal government wage increases have been below the inflation rate and below the pace of wage increases in the private sector since 1984. The government is today reaffirming its commitment to wage restraint. I have asked my provincial colleagues to join me in that commitment.

This will be a testing year for the Canadian economy. The economic news will not be encouraging in the months ahead. Growth will be slow. Employment is expected to continue growing, but not as quickly as the labour force, and the unemployment rate will rise.

In these circumstances, we can expect to hear increasing demands for quick-fixes, particularly for sharp, sudden reductions in interest rates. The frustration that people feel about the persistence of high interest rates is understandable. I feel it too. But experience makes clear the futility and the danger of trying to solve economic and fiscal problems by dealing with the symptoms rather than the causes. Experience also supports the need for the kind of firm, inflation-fighting monetary policy that the Bank of Canada has been following.

I want to underline the point: High interest rates are the symptom, inflation is the cause. A firm monetary policy helps to ease the demand that is straining the capacity of the economy and creating inflationary pressure. It is dealing with the cause of the problem. Premature easing of credit would lead to an increase in borrowing and demand pressures. This would make the inflationary problem worse, and lead to even higher interest rates in future.

• (1705)

The measures in this budget will work with monetary policy to ease inflationary pressures. They will help to harness the benefits of lower inflation, lower interest rates and lower deficits. They will reinforce each other and lead to a smooth return to strong, sustained growth and job creation. They will help ensure that the greater economic output made possible by our structural reforms will in fact be achieved.

[*Translation*]

REINFORCING EXPENDITURE CONTROL

The expenditure control measures in this budget are tough. They reflect the fact that after several years of restraint, there are no painless ways to cut spending. The notion that spending can be substantially reduced without having a real impact outside of government simply does not fit with the reality of how government spends the taxpayers' dollars.

[*English*]

EXPENDITURE CONTROL PLAN

Our two-year expenditure control plan will have a major impact on program spending. All areas of program spending were reviewed and a wide range of programs is affected. In designing the measures, we were sensitive to the financial circumstances of individual Canadians as well as governments.

We have exempted major transfers to persons. These include elderly benefits, family allowances, veterans' pensions and allowances and unemployment insurance benefits. We have also exempted the equalization program and Canada Assistance Plan transfers to those provinces receiving equalization.

We have capped the growth of a number of programs at 5 per cent per year for the next two years. These include Canada Assistance Plan payments to the fiscally stronger provinces of Ontario, British Columbia and Alberta; and certain expenditures for science and technology, and Indian and Inuit programs. In the 1989 budget, defence and foreign aid expenditures were substantially reduced. In view of the tight fiscal situation, their growth will also be limited to 5 per cent from this lower expenditure base.

We have held a number of programs at their 1989–90 levels for the next two years. Total per capita cash and tax transfers to the provinces under Established Programs Financing will be held constant. These transfers will continue to grow with provincial populations.

We have reduced or eliminated a number of programs. In light of the economics of the project and the present fiscal environment, the government will not proceed with the offer of assistance for the construction of the OSLO oil sands project. The Canadian Exploration Incentives Program is cancelled effective midnight, February 19. The government will not proceed with the Polar 8 icebreaker project, due to significant increases in the estimated costs, delays which have contributed to these increases, and changes in the international environment.

We are taking a more businesslike approach to assistance to business. With limited exceptions, grants will be eliminated and financial assistance will be repayable on more rigorous terms. This will place the emphasis more clearly on investing in economic development rather than subsidizing the private sector.

[*Translation*]

We are implementing a wide range of other measures to increase efficiency and reduce the cost of government operations. These include the privatization and Crown corporation measures that I dealt with earlier. The 2-per-cent annual limit on the growth of government operations and maintenance budgets, which has been in effect since 1986–87, will continue until 1994–95.

• (1710)

[*English*]

It is clear that with these measures the federal government has tightened its belt; we have restrained our own costs and we will continue to do so.

Total expenditures on programs other than those that are exempt or capped will decline over the next year to a level $800 million below that of the current year. Total federal program spending will grow by 3 per cent next year, well below the expected rate of inflation. Total entitlements for the major federal-provincial transfer programs are expected to grow at about the same rate as federal program spending next year. They will average about 2.3 per cent for Ontario, Alberta and B.C. and 4 per cent for the Atlantic provinces. The lower-income provinces will continue to receive proportionately more federal support than the higher-income provinces.

The deficit is a national problem. It demands a national solution. If we are to restore health to the nation's finances, provincial governments must do their part, just as they too will reap the rewards of lower inflation, lower interest rates and sustained economic growth.

SUSTAINING FISCAL PROGRESS

These measures, with the expenditure restraint of previous years, have made it possible to restore the deficit to a downward path without increasing taxes in this budget. With the Expenditure Control Plan in this budget, we are taking the actions now to ensure that the

government's fiscal position in the 1990s can support the priority programs Canadians value.

I have stated on many occasions that it would be irresponsible of our generation if we took the easy option of simply passing our deficit burden to our children. It would also be irresponsible to leave them a legacy of environmental neglect.

In Canada and abroad, we are witnessing a major change in peoples' attitudes and actions towards the environment. My colleague, the Minister of the Environment, is currently engaged in an extensive dialogue with Canadians on the steps we must take to address the difficult problems related to the pollution of our land, air and water and to deal with the protection of our ecological resources. Later this year, he will table before Parliament, "An Environmental Agenda for Canada: Implementing Sustainable Development."

[*Translation*]

Canadians want action to protect our environment. The Agenda will be comprehensive and substantial and will demonstrate the government's commitment to action. It will be introduced in a fiscally responsible manner.

IMPACT OF BUDGET MEASURES

The decisive actions in this budget bring us back to the fiscal track set out in the 1989 budget. We will cut the deficit to $28.5 billion in 1990–91. This deficit includes the impact of the one-time transitional cost of sales tax reform, including prepayment of the Goods and Services Tax Credit, the transitional grant to small business and the rebate of federal sales tax on inventories.

[*English*]

The measures in this budget ensure that the deficit will be more than cut in half to $14 billion by 1993–94. By the following year:

The deficit will be further reduced to $10 billion.

The government will begin to pay down its bonds and Treasury bills.

Program spending will fall to 14.2 per cent of national income, the lowest level since the late 1960s.

The surplus of revenues over program expenditures—our operating surplus—will reach $31 billion.

• (1715)

The burden of debt will be reduced as the public debt shrinks relative to our national income.

As a direct result, the portion of every revenue dollar that today goes for debt interest will be reduced from 35 cents and rising, to 26 cents and falling.

In short, we will regain the flexibility needed to make real choices about the kind of country we will pass on to our children. And we will be able to make those choices in a climate of lower inflation, lower interest rates, durable economic growth and more jobs and opportunities in every part of Canada.

I am tabling the budget document including Notices of Ways and Means Motions. Details of the measures are included in the document.

Tomorrow I will introduce a bill seeking borrowing authority for the 1990–91 fiscal year.

I am asking that an order of the day be designated for consideration of those motions.

CONCLUSION

A nation's true sovereignty is determined by the ability of its people to shape their own future.

In today's world, our sovereignty is not threatened by military force or aggression. Our freedom and opportunity to realize our dreams for ourselves and our children rest on our response to the challenge of a more competitive world in the throes of economic change.

[*Translation*]

There can be no turning inward from this world. Canada is a major trading nation. We depend on international trade for one-third of our national income, millions of jobs and a substantial part of our ability to pay for important public services.

These benefits do not flow to Canada by right; we have to work hard for them. And when the economic world changes, we have to keep pace. To master our future in a changing world, we must expand our capacity to produce and sell Canadian goods and services at home and in markets around the world.

[*English*]

Canada has the natural resources, the capital and the people with the ingenuity to prosper in a competitive world. The very fact of Canada's existence is a tribute to its adaptability. Our ancestors built this country against formidable odds. Canadians have stuck together through testing periods by reaffirming, time and again, their ability to build on the rich diversity of the nation with realism, determination, foresight and understanding. That was the spirit of Confederation; and it must be the spirit in which we face every challenge to the building of a better future for Canada and Canadians.

Our ability to keep our economic future in our own hands is being challenged by the closely linked problems of inflation and growing debt. The economic plan that I have described, and the firm actions we have taken as part of that plan, have brought us to a clear prospect of relief. But let it not be said that we lost the battle by abandoning it before it was won.

Indeed, if we maintain our resolve, the prospect of lower inflation is within sight and we will have the deficit under firm control. By persevering, we will attain greater control over our destiny, and greater ability to devote our resources to investments in a rising standard of living and a better quality of life for all Canadians: in research and development, education and skills training, and environmental, social and cultural programs.

We must not fail in our resolve. We must continue to face our problems squarely. We must grasp the opportunities that are at hand to build the Canada that we want for ourselves and for future generations.

Some hon. members: Hear, hear!

• (1720)

Mr. Douglas Young (Gloucester): Mr. Speaker, I listened with a great deal of interest to the speech made by my colleague, the Minister of Finance. I will not take much of the House's time today, but I feel obliged to respond very briefly.

The hon. Minister of Finance stated in his speech today that there are powerful reasons for holding to the plan that the government started in 1984. I believe that if ever there was a time for us to be conscious of the need to try to thwart the devastation that has been levelled on this country since 1984 it is after this speech.

Some hon. members: Oh, oh!

Some hon. members: Hear, hear!

Mr. Young (Gloucester): Mr. Speaker, one of the most dangerous things in society is the big lie. We are going to read the numbers as time goes on. Always, always in a democracy you have to be careful of the big lie. Today, and I want to quote from the document—

Mr. Masse: Sit down!

Mr. Young (Gloucester): Mr. Speaker, I see the hon. member responsible for Academy Awards is speaking out today, one who spent a lot of money that is being wasted and trying to be recouped by this budget.

The big lie is that there will be no new taxes in this budget. That is the lie that must be debunked—

Some hon. members: Oh, oh!

Mr. Clark (Yellowhead): What a cheap trick—a cheap trick from a cheap man.

Some hon. members: Oh, oh!

Mr. Speaker: The hon. member is getting very close to making it personal. I would ask him to keep in mind the rules. There is lots of room for disagreement without using words that are pejorative.

Mr. Young (Gloucester): Mr. Speaker, the fact that Canadians have been told that there will be no new taxes is absolutely false because this budget will result in new taxes in British Columbia, in Alberta, in Saskatchewan, in Manitoba, in Ontario, in Quebec, in New Brunswick, in Nova Scotia, in P.E.I and in Newfoundland.

Some hon. members: Hear, hear!

Mr. Young (Gloucester): What this budget does to Canada is to say that debt is not debt unless it is owed by the Government of Canada. Debt is debt is debt is debt, whether it is provincial debt, municipal debt or federal debt. We will have a great deal to say about shifting the burden of debt in this country from one level of government to the other.

The challenge for Canadians will be to see that in fact this government's mismanagement of its own affairs has resulted in it having to shift the burden to Canadians across this country at the provincial and the municipal levels. That is the truth of the matter.

Some hon. members: Hear, hear!

Mr. Young (Gloucester): Mr. Speaker, I move:

That the debate be now adjourned.

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

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Speaker: Pursuant to order made Monday, February 19, 1990, this House stands adjourned until tomorrow at 2 p.m.

The House adjourned at 5.25 p.m.

HOUSE OF COMMONS

Wednesday, February 21, 1990

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE BUDGET

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, yesterday's budget really reaffirms to all members of the House our government's unabridged commitment to building a strong economic future for Canada.

As part of this vision, Canada requires a dynamic and flexible economy, one responsive to the many new challenges and opportunities fostered by an intensely competitive and restructured global market-place.

Central to this economic foundation is a highly skilled and flexible labour force. We as a nation depend on our international trade. To do that, we must invest in our human resources and meet the demands of economic and technological change.

In a leadership role the new Labour Force Development Strategy clearly demonstrates our government's commitment to do just that. It reinforces private sector training and provides significant additional funds to our unemployed, social assistance recipients and displaced older workers.

I believe that this labour strategy, coupled with the unemployment insurance reforms, as well as the economic safety net we have developed, strongly demonstrates a commitment by the government to all Canadians to develop a better framework for both them and our economy to adjust to change and to new prosperity for Canada.

THE BUDGET

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, among the many victims of yesterday's budget was a once proud, but now embattled entity called Canada.

Over the years we have seen the independence and sovereignty of our country whittled away by the continentalist philosophy of the present government.

Yesterday, this Americanization of Canada took giant strides forward with the proposed sale of both Petro-Canada and Telesat. The sale of these Crown corporations eliminates the presence of a public interest in the direction and future of this country. It eliminates the opportunity to maintain Canadian ownership and control over vital resources. It eliminates the opportunity for Canadians to plan for their future alternate energy and national communications policies.

Let us remember the spirit of 1979 when the Canadian people rose up and fought the plans by a Conservative government to get rid of Petro-Canada. Let us have the spirit of 1979 re-enacted today so that Canadians will once again fight for the right to stay free and independent.

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THE BUDGET

Ms. Margaret Mitchell (Vancouver East): The budget decision to axe construction of the *Polar 8* ice-breaker is a betrayal of British Columbians and the future of the north. Three years ago the government signed an agreement committing itself to a B.C. contract while frigate contracts went to Quebec.

Axing the *Polar 8* means a loss of over 1,000 direct jobs in Vancouver and Victoria, as well as many spin-off jobs. It means the end of our shipbuilding industry in B.C.

A *Polar 8* class ice-breaker would have been much more than a proclamation of our sovereignty in the Arctic. It is essential for northern development, Arctic

search and rescue, scientific research and to keep northern seas open year round.

This government has betrayed British Columbians and northerners by reneging on a signed deal that was reaffirmed repeatedly by senior ministers.

B.C. Tory MPs have failed to represent British Columbians. I call on the junior Associate Minister of National Defence, who repeatedly confirmed *Polar 8* would go ahead, to resign.

* * *

[*Translation*]

MINING EXPLORATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I am one of the members who worked to set up the Canadian Exploration Incentive Program in 1987-88. On December 11, 1989, I said in this House: "The CEIP expires on December 31, 1990, and today I am worried about the survival of this program."

Yesterday, we learned in the Budget that this program was cancelled as of midnight February 19, 1990. We lose the contribution equal to 30 per cent of the cost of mining, oil and gas exploration financed by flow-through shares.

Mr. Speaker, I would like to make it clear that we are maintaining the resource deduction. Flow-through shares will continue to help mining companies that are starting up to attract investors. The tax system for expenditures makes it possible to recover all pre-production costs before a new mine starts to pay tax, and I am really disappointed about losing this program.

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[*English*]

THE BUDGET

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, a most distasteful measure in the Wilson budget yesterday was the so-called management initiative to take away $35 million from Canadian veterans.

Five thousand of them under chronic care will have to pay $3,000 each, and a total of $17.3 million for their care as part of what the government euphemistically calls updating the lodging program.

In another initiative, 60,000 living at home will lose help provided for heavy housecleaning because of an $18 million cut for this key program to aging veterans to which the government refers as streamlining.

• (1410)

This government action flies in the face of a Remembrance Day statement by the Minister of Veterans Affairs which he opened by emphasizing "just how much is owed to those who did their duty for their country in war". Is this another sacred trust gone astray?

This is not what I call a management initiative. It is a shameful and disgraceful way to shift the burden of deficit reduction on the backs of those who can least afford it, and in this case, most specifically on the backs of those who have already more than paid their dues.

Veterans deserve better. They will fight back once again.

* * *

THE BUDGET

Mr. Peter L. McCreath (South Shore): Mr. Speaker, the soothsayers of gloom and doom are already criticizing the federal budget, but then that was predictable.

Let's face it, if this government brought rain to end a drought, the Liberals and the NDP would complain about it.

The fact is that the Minister of Finance has done his job and done it well. Seventy per cent of the spending cuts are consumed within federal spending. Provinces whose spending growth has far exceeded that of the Government of Canada are being asked to pay their share. After all, if you are part of the problem, shouldn't you be part of the solution?

Atlantic Canadians should be pleased to see that this budget recognizes regional differences in Canada and, accordingly, has shielded Atlantic Canadians from the toughest aspects of a needed tough budget. A province like Nova Scotia need only restrain its spending in line with federal restraint and there will be no need for increased taxes at the provincial level or program cuts to go with no federal taxes.

Congratulations, Mike, on a job well done.

THE BUDGET

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, health care and post-secondary education are the highest priorities of Canadians. Eighty-eight per cent of Canadians told this government not to cut funding to these programs. Yet yesterday's budget cut $7.6 billion from health care and post-secondary education funding anyway. The finance minister is paying for his high interest rate fixation on the backs of the sick and the students of this country. He is slashing social programs as his big business friends have told him to do. If you are sick in Newfoundland, this government is saying you do not deserve the highest quality health care. If you are a student in Saskatchewan, this government is saying you do not deserve a high quality university or college education.

The dream of equal treatment for all Canadians regardless of where they live and regardless of their financial resources is dead.

The options available to the provinces, especially the less well off provinces, are very limited. They can increase their deficits, raise taxes, cut health and education programs or privatize services. None of these options are desirable. They are the deliberate consequences of the federal government's actions in this "pass the buck" budget.

This government is cutting off funding to what it says are its own priorities. It cannot have it both ways. It is high time it came clean with Canadians.

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FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the Canso Community Survival Task Force left Ottawa yesterday empty-handed and bitterly disappointed after their fruitless meeting with three members of this government: the Minister of Fisheries and Oceans, the minister responsible for ACOA and the Minister of Employment and Immigration.

The government which had promised a program of generous assistance to communities affected by the crisis in the Atlantic fisheries had not one dime of support for a community facing economic ruin. The task force suggestion that Canso receive its fair share of available fish quotas either through a community quota or a requirement that National Sea allocate some of its fish to Canso was greeted with cold stares and deaf ears by the Minister of Fisheries.

As a further kick in the shins, the budget which the Minister of Finance read later on that afternoon, had not one word to say about the crisis-stricken Atlantic fishery.

The people in Atlantic Canada can draw only one conclusion from this pitiful display of neglect. This government has written off Atlantic Canadians and it is time for Atlantic Canadians to write off this government.

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HOUSE OF COMMONS

Mr. Willie Littlechild (Wetaskiwin): Mr. Speaker, I rise in the House today to express my sincere thanks but also my deep sympathy to our parliamentary pages for a devastating loss to the members of Parliament in last night's annual hockey game.

It was a sweet victory. The hon. members from Kitchener, Victoria and Notre-Dame-de-Grâce led off in a pummelling of the pages, and it was smooth-sailing from then on. Although the pages persevered, they were no match for the hon. members who were simply too fast and furious.

Even though the pages had youth on their side, it was nothing compared to the experience and the athletic bodies of the smooth skating members. The House should know that the members' team was a tremendous credit to the world of sport, hockey in particular, as they displayed sportsmanship throughout, even allowing the page from La Passe, Ontario, to score a goal.

To conclude, I have been but one thing left to say. As sweet as the victory was, hon. members look forward to next year's challenge when we will do it all again.

Some hon. members: Hear, hear!

* * *

WILLIAMS LAKE CANADA EMPLOYMENT CENTRE

Mr. Dave Worthy (Cariboo—Chilcotin): Mr. Speaker, it is far too often that loyal and dedicated public servants bear the brunt of much public and political criticism. This is why it is such an honour to announce here in the House that the Williams Lake Canada Employment Centre in my riding of Cariboo—Chilcotin has been

awarded the outstanding team award by Employment and Immigration Canada.

The staff of the Williams Lake CEC was chosen as having the best record in providing quality service from among the 41 centres nation wide that were nominated for the award.

Williams Lake CEC has been honoured twice in the past for awards of excellence in claims processing.

I would like to say this to Irene Ainley and her staff in Williams Lake that we always knew you were good. Now the whole country knows.

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MARINE ATLANTIC

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, yesterday we learned that the subsidies to Marine Atlantic would be frozen for the next two years. This freeze will amount to a $9 million reduction to Marine Atlantic.

In addition, since 1985, this government has cut Marine Atlantic's budget by $52 million.

This Crown corporation operates on subsidies and fares, which means that if subsidies are reduced, Atlantic Canadians are faced with increased rates or decreased services. Adult ferry rates have already increased 44 per cent since 1985.

In a province like Prince Edward Island, higher transportation costs mean more expensive consumer goods and less competitive exports.

Islanders may not experience direct tax hikes from this budget, but the pain of budget cuts will dig deeply into everyone's pockets.

* * *

THE BUDGET

Mr. Stan Wilbee (Delta): Mr. Speaker, in the wake of the excellent budget presented by our finance minister yesterday, the expected bluster and hypocritical statements of the provincial finance ministers are not surprising. I refer specifically to Ontario and British Columbia.

The B.C. finance minister has shouted loud and long that the federal government should control our spending and, of course, when we do it, he is the loudest crier.

Federal program spending was restrained to 3.6 per cent over the last five years. That is well below the rate of inflation and it beat Ontario's 9.5 per cent and B.C.'s 6.2 per cent.

The fact is that the federal payments will continue to increase for British Columbia at 2.5 per cent a year. The effect of the change is only .8 per cent to the B.C. budget.

It has been very easy for the provinces to balance their budgets when the feds pay the mortgage.

As our finance minister has stated: "The provinces are part of the problem: The provinces must be part of the solution".

* * *

THE BUDGET

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, some months ago the premier of British Columbia, Bill Vander Zalm, called for a 25 per cent cut in federal spending. Last night he almost got his wish.

That budget hurt families in British Columbia and elsewhere in Canada. The best example of that is in housing. The Canadian federal government last year funded the production of 16,000 social housing units at a cost of $100 million. Yesterday's budget contains a cut of 15 per cent—$51 million over the next two years.

This is disastrous for families in Canada in the big urban centres. They cannot get housing. It is a double whammy, because no one believes the 11 per cent rate of interest. My constituents are paying 13 per cent to renew their mortgages.

When the electors get to Bill Vander Zalm and Brian Mulroney, they are going to give them a choice of housing. They are going to send them back to Fantasyland.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I have questions for the Minister of Finance.

Canadians are coming to see that yesterday's budget is a fraud and a farce. The minister says that he has his deficit under control. That is not true. He simply transferred it to the provinces.

The minister says that there are no new taxes. That is also not true. His cuts in payments to the provinces for health and education mean that there will be higher taxes in every province for every Canadian.

• (1420)

Canadians will see that the minister's budget will mean shutdowns of hospitals and hospital beds, higher tuition fees, and fewer university spaces.

I want to ask the minister what assessment he has done of the impact of his budget on the number of hospital beds, the effect on tuition fees, the effect on university spaces? Or is it that the minister simply does not care what damage his budget does to Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make some comments in response to the Leader of the Opposition.

First, the transfers to provinces are unconditional transfers. They can go for post-secondary education and health care, or they can go to highways or pay wages and salaries of public servants.

Since 1977 there has been no relation to what the transfers have been made for to how the transfer moneys are spent. They just go into the general revenues of the province.

The second point I would make in relation to the hon. member's question is this. Let us put the whole matter into perspective.

What we are saying to the provinces is the reduction in the growth rate of the transfers—because the transfers will continue to grow next year by an average of 3 per cent—is equivalent to a little over half of 1 per cent of provincial spending in year one, and a little over 1 per cent in year two.

Against that perspective the adjustment that the provinces are going to have to make is not a major one. For them to be a part of the solution to a major national problem, we believe that they should share some of that burden.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, it is still a reduction of $7.3 billion in transfers to the provinces for projects like health and education, no matter how the minister slices it.

The minister has also admitted in effect that he does not know how many hospital beds will be closed and how many university places will be lost because of his budget.

The minister will be hearing from the premiers. The minister will be hearing from student leaders and health care professionals. I would like to ask him a question about a group that does not usually have access to the minister.

The minister says that there are no tax increases in this budget. What does he call forcing sick and elderly veterans to pay a new fee of $3,000 a year for the care they are receiving from the Department of Veterans Affairs? Is this not typical of the damage and the burden the minister is placing on Canadians who can least afford it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again let me put this into perspective. I do not think that there are many Canadians in this country who do not believe that we have a major fiscal problem that we must get under control, and that we are getting under control. But we need this further action to complete the job.

We have held our program spending to 3 per cent. The average increase in transfers to the provinces will be 3 per cent. The transfers to the provinces are $34 billion this year. That is in relation to our total program spending of over $100 billion. We have asked the provinces to accept one-third of our spending control program as part of their responsibility.

My friend makes some comments about the treatment of veterans. I think the veterans of this country have been treated extremely well over the years by this government and by previous governments. They will continue to be treated that way because they have given so much to the past of this country, to fighting for the

freedoms, to doing the things that we respect very much in this country. We will continue to do that in a sensitive way and in a way that respects the interests of the veterans in Canada.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the minister says that the veterans have given much to this country. He does not explain why he is asking them to give even more—$3,000 a year—for the care they are getting from his government.

Some hon. members: Shame!

[*Translation*]

Mr. Gray (Windsor West): Mr. Speaker, I want to quote from page 3 of the Budget papers:

> The economy is in a period of slower growth. That is not surprising. Nor should we try to avoid it.

The minister seems to enjoy the fact that he is forcing the economy into a recession. He has announced increases in interest rates and in the unemployment rate. My question is, why doesn't the minister admit he is forcing our economy into a recession that Canadians do not want?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition is again demonstrating that he has his head in the sand.

Some hon. members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We feel that it is important to be frank with Canadians, to be realistic about the economic outlook and to recognize that we must go through a period of slower growth, but a period of growth nonetheless. There will be a continued growth in employment during this period ahead.

We believe that it is important, though, for us to have this period of slower growth in order to get on top of the inflation problem that we have been suffering from for the last couple of years. My hon. friend probably disagrees with that because that is exactly what the government which he supported in the late 1970s did. It ignored the problems of inflation and the deficit.

What happened? We had unemployment of 13 per cent. We had interest rates of 20 per cent plus. We had inflation of 13 per cent plus. It was a disaster for the country.

Surely my friend can understand from the lessons of the past and remember the lessons of the past. These are the things that we are trying to avoid, and we are going to avoid them with the policies that we are following.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is directed to the Minister of Finance. I want to assure him that Canadians are not going to forget the lessons of the past.

In the last election campaign the Liberal party said that if re-elected the Conservative government would cut health care, cut education funding, cut regional development and increase taxes.

The Minister of Finance was pushed before the cameras during the election to call the Liberal leader of the day and this party liars for scaring Canadians.

Mr. Speaker, the truth is in this budget document. The Minister of Finance is closing hospital beds, is increasing tuition fees, is terminating regional development programs—

Some hon. members: Oh, oh!

Mr. Tobin: —is forcing tax increases on the provinces.

Why does the Minister of Finance not admit that this budget, this betrayal of Canadians, is not a blueprint for prosperity? It is a battle plan for war with the provinces and the victims are going to be the sick, the elderly, the unemployed, shamefully our veterans, our native people, our nation's youth and Canadian taxpayers.

Some hon. members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in the elections of 1984 and 1988, Canadians did not forget the lessons of past, and that is why they elected this party as the government of Canada.

Some hon. members: Hear, hear!

Mr. Wilson (Etobicoke Centre): They elected this party as their government because they could trust this government to face up to the problems and not try to shuffle them aside the way my hon. friend says we should do it.

We are being realistic with Canadians. We are not hiding from the fact that we have problems, but we are facing up to those problems in a realistic, open and honest way.

I have said many times in the past that members of the Liberal Party of Canada have no ideas on how to deal with these problems. They have no alternatives to the policies that we are putting forward. They are totally bankrupt of ideas.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, this Minister of Finance is bankrupt of integrity. He stole the last election.

Some hon. members: Hear, hear!

Mr. Tobin: Mr. Speaker, for 123 years this nation has strived to build on the principle of equality of opportunity for all Canadians. We have always believed that no matter where we live in Canada, no matter what our circumstance, we are entitled at least to equality of service in fundamental areas like education and health care.

With the stroke of a pen the Minister of Finance shattered that dream and vision yesterday.

My question is the following. Why is the Minister of Finance today telling Canadians that quality education and quality health care in future will only be available to those wealthy and privileged few Canadians who can afford it?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the hon. member forgot one thing in his comments about equality of opportunity. He forgot to say that the Liberal Party of Canada believes equality of opportunity to mean bearing an increasing burden of debt year after year after year. This budget is going to stop that.

This party also believes in the highest quality of health care and the highest quality of education that we can have in this country, but we also understand that if we have 35 per cent of every revenue dollar going to pay our interest costs, and that amount is rising, then we will not have the money. We will not have the money to spend on health care, on post-secondary education, on the environment, on native affairs, or on any of these policies. What we understand is that if we can get that 35 per cent figure down to 26 per cent, which is in our plan for the next five years, it will mean that we will have billions of dollars more money either to cut taxes, look after maintaining and improving these programs, or look after new initiatives such as the environment.

[*Translation*]

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Minister of Finance.

Yesterday, the Minister of Finance stated there were no tax increases in his Budget. What an odd thing to say, Mr. Speaker, when Canadian men and women still remember the de-indexation of family allowances; the threshold for the child tax credit; higher unemployment insurance premiums and, of course, the sales tax announced several months ago.

Mr. Speaker, this is only the beginning. Will the Minister of Finance rise in the House today and say that his Budget will not force the provinces and the territories to raise taxes because otherwise, health services and postsecondary education will suffer?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, when there are no new taxes in the budget, does the hon. member suggest that I say that there are new taxes in the budget? There are not new taxes in this budget.

Some hon. members: Hear, hear!

Mr. Wilson (Etobicoke Centre): She has held out all sorts of doom and gloom scenarios in the preamble to her question. What I say to her is: look at what we have done in the context of the transfers that we are making to the provinces. The transfers will continue to grow next year by 3 per cent. Federal program spending will grow by 3 per cent. We are not asking the provinces to do anything more than we are willing to do ourselves as a federal government.

Let us also recognize that the impact of the changes, the reduction in the growth rate of the transfers to the provinces, amounts to a little over half of one per cent of the provinces' program spending in year one and a little over one per cent in year two. In the context of the adjustments that have to be made today, that is certainly an amount that the provinces can easily adjust to without the doom and gloom scenarios as my hon. friend is saying.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question. Obviously the Minister of Finance has not been talking to his counterparts in the provinces and the territories. Clearly it is going to be a tremendous burden, especially in those areas of Canada where it is more difficult to raise additional revenues and

services are going to have to be cut, and the minister knows that.

It is not a small amount. If we look at the cuts to health and to post-secondary education, the accumulated cuts come up to some $11 billion. Now the provinces and territories have to shoulder those burdens.

My question to the minister is this: Would he be brave enough now to go today and explain to students who will be denied post-secondary education, explain to seniors who will not get a hospital bed and explain to children standing in line at a food bank what these cuts are going to mean and what this budget is going to do for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know whether my friend can see from that far away, but I have a headline here which her House leader would probably recognize. It states: "Cut transfer payments to reduce federal debt Vander Zalm urges".

Some hon. members: Oh, oh!

Mr. Speaker: The hon. minister.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the point that Mr. Vander Zalm makes and the point that has been made by other provincial treasurers is that they have a stronger fiscal position than the Government of Canada.

Mr. Crawford: Better management.

Mr. Wilson (Etobicoke Centre): My friend across the way, old fog-horn, says: "better management". Better management grew a debt that was $18 billion in 1968 to $200 billion at the end of 1984-85. The interest payments on that $200 billion worth of debt accounts for 80 per cent of the deficit this government has incurred in the last five years. That is the management that got us in the mess today.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, we have seen a lot of accusations about this budget, but to see that Fantasyland is moving east will come as a surprise to a lot of Canadians.

On a more serious note, on February 21, 1945 there was the battle of the Siegfried Line during the closing days of the Second World War. It was when the Canadian Army cracked the Siegfried Line, the last major line of Nazi resistance. Unfortunately a lot of our forces perished at that time but many survived.

My supplementary question is for the same minister. As we heard, the minister has increased fees to veterans living in long-term care institutions, people who have served their country. He is asking veterans to pay more for their meals, more for their lodging and, on top of that, he is taking another $18 million away from those veterans who want to live independently.

This minister calls this a management initiative. I would like to ask the minister if he would not take a different management initiative, cancel his $14 million GST propaganda campaign and give it to the veterans.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, I think it is important that we explain what has been done in the changes here. Obviously two or three issues have been misinterpreted.

First of all, none of the disability pensioners who are in hospitals or any type of institution will lose or have to pay any additional dollars because of this change.

• (1440)

It is important to recognize that there are 1,300 veterans in Canada who are not paying anything while all the rest of the veterans in Canada are paying. Obviously we are going to correct that inequity. The veterans agree with that, that they cannot be seen not to pay the $240 while all the rest of the veterans are paying. Veterans understand that. They do understand fair play.

The changes we brought in will bring this in line over a period of two years to what is being charged in the lowest rate of all the seniors in Canada, that is $420 a month.

Just let me explain what they charge in Saskatchewan. It is not $420 a month but $616. In the province of New Brunswick they charge $4,770.

Mr. Speaker: I am sure these facts are important. Perhaps they should be delivered to the House in another way.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of Finance. Hospitals and emergency wards are overflowing, patients have to sleep in corridors, and waiting lists are becoming alarmingly long in Quebec. The Minister of Finance, and this includes last night's Budget, has cut $5.7 billion from payments to Quebec for health services and $2.3 billion for education. Before letting the provinces shoulder the responsibilities he has as Minister of Finance of Canada, has the minister considered the patients who have to sleep in hospital corridors, the students who will not be able to continue their studies and those who will keep going into debt in order to go to university?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, those figures are gross exaggerations, unless they came through incorrectly on the translation.

I would say to my hon. friend that I am sure he recalls over the past couple of years, from time to time, the provinces unanimously saying to this government that they wanted interest rates down. Getting the federal government deficit down will help us get interest rates down. If the provinces want to address this problem of high interest rates, they have to be a part of the solution, and part of that solution is getting the federal deficit down.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the Minister of Finance does not resolve the problem. He is reducing the federal budget and increasing the provincial budget, so interest rates will continue to go higher.

[*Translation*]

Mr. Speaker, why should Quebecers have to pay an extra $2 billion in taxes, according to last night's Budget, in addition to the GST that will come into force on January 1, 1991? He said there were no new taxes. Did he forget the GST?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I still have a hard time with the arithmetic of my hon. friend.

The total savings from the change in transfer payments amount to some $600 or $700 million. How is it that the province of Quebec is going to be affected to the extent of $2 billion? It does not add up.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Finance. The minister will know that the situation in the health care field is of particular importance not only to the provinces but to caregivers in the system and of course to the patients who utilize the particular system.

In British Columbia where the health system is strained, 200 heart surgery patients are being diverted to Seattle, Washington.

Could the minister explain how cutting $800 million for health and education in British Columbia will enhance the health care system in British Columbia? Or, is the minister really saying but afraid to tell Canadians that these cut-backs are the beginning of the privatization of medicare in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. friend still does not understand the message of the budget. The budget takes the steps which continue the programs we have been following over the last five years that will allow us to preserve medicare, that will allow us to preserve a strong education system, and that will help us to preserve strong regional development.

If we continue as my friends across the way would have us do to ignore the deficit problem, just shove it aside and say "let's forget about deficits", we are going to see not just 35 cents of every revenue dollar being used to pay for the interest on the debt, but that is going to go up to 40 cents and then 50 cents. Where is that going to leave medicare? Where is that going to leave post-secondary education? That is a danger of debt. That is a danger that we are trying to avoid with this budget.

I am sure I am not going to live long enough to hear one suggestion from the Liberal members opposite as to how we can cut government spending.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister of Finance has not denied that this is a real attempt to privatize medicare in Canada. It is very clear.

The Minister of National Health and Welfare stated on April 7, 1989, and I quote:

We are proud of the fact that we have one of the finest health care systems anywhere in the world. We see the excellence of this system as one of the features which distinguished us from our neighbours to the south.

At a time when our health care system is financially strained, I ask the Minister of Finance why he has gutted health and education budgets in Newfoundland of $162 million; Nova Scotia, $250 million; Prince Edward Island, $37 million; and New Brunswick, $206 million. Why has the Minister of Finance done this? He is exacerbating the regional disparities in this country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is a twisting of facts and a distortion of figures. What I am hearing today takes me right back to the election campaign and the scare tactics the hon. members opposite used.

My friend talks about regional disparities. Surely he understands what we have done in this budget. We have cut back on the growth rate of the transfers to provinces, but for the larger provinces like Ontario, British Columbia, and Alberta, the transfers will grow at 2.25 per cent. The transfers to the Atlantic provinces, one of which he represents, will grow at a rate of 4 per cent. That compares to the growth of program spending of the Government of Canada of only 3 per cent.

Surely he can understand that we have not done things that will aggravate any regional disparities as a result of this budget.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Finance, not the Minister of Veterans Affairs, because the Minister of Finance is responsible for the budget. I want to know if we heard the government correctly.

We know in the budget there is no cut-back on the size of cabinet. There is no cut-back in the government advertising for the GST and other programs. Yet, the government is asking veterans who are sick and lying in hospital beds to pay an increased fee for room and board. These are people who fought for this country and were prepared to die for this country.

I would like to ask the Minister of Finance where are his priorities, where is his sense of fair play when he asks people who fought for this country and were prepared to put their lives on the line to pay an increased charge for room and board. Yet, the government is not downsizing the size of the cabinet or cutting back on government advertising. Where are his priorities?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the hon. member cares to look back over the last five years, he will see very clearly that on a number of occasions we have enhanced the programs in support of our veterans, because we believe in giving our veterans the best possible support they can receive.

We know we have a major debt to our veterans who fought for us during the last war, fought for our freedoms, and we are continue to meet that debt.

My colleague has just said that there is some rebalancing within the support we are providing to our veterans so that that support can be provided to our veterans in the most equitable way possible.

• (1450)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I think the whole credibility of the government is in question here.

I would like the minister to confirm the fact that the calculations in the budget he tabled yesterday in the House of Commons were made before the end of January, before the bank rate in this country had jumped by over 1 percentage point.

Since those calculations were made before the end of January, could he now confirm that if he were to update his calculations in a fair and honest way the deficit would be over $30 billion, that the unemployment figures would be higher, and that the inflation rate would be higher?

Will the Minister of Finance confirm that those calculations were made before the end of January? Will he update the budget forecast to include the new Canadian reality of even higher interest rates in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this budget is designed to reduce interest rates and what do we have: the hon. member fighting against a reduction in interest rates.

We believe that the projections provided in this budget are sensible, realistic projections. As I indicated in *The Budget Papers*, there was a survey done of private sector forecasters which came up with an interest rate average

of 11.0 per cent. Our projection is 11.1 per cent, a shade above the private sector forecast.

The hon. member talks about January. A survey was done just last week which confirmed that private sector forecast. I should remind my hon. friend that back in 1986 when we had similar circumstances, we had the same sort of bleating from the opposition benches saying that the projections were way out of whack. The projection we put in for the interest rate at that time was 9.5 per cent or 9.6 per cent. What did it come it at? It was 9.2 per cent, .4 per cent or .5 per cent below, in face of the bleating from hon. members that our projections were way out of whack.

* * *

EXTERNAL AFFAIRS

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Prime Minister.

Events in East and West Germany have been developing at an extraordinary pace in the past few months. Last week the Foreign Minister of West Germany, Hans Dietrich Genscher, was in Ottawa for the Open Skies Conference and met with both the Prime Minister and the Secretary of State for External Affairs. Many other meetings occurred concerning the future of Germany at that time.

Could the Prime Minister inform the House if there have been further developments since those meetings in Ottawa last week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for the question. There were important discussions last week between the Secretary of State for External Affairs and Foreign Minister Genscher from the Federal Republic of Germany.

I take the opportunity on behalf of all members to issue genuine congratulations to the Secretary of State for External Affairs for his excellent chairmanship of the Open Skies Conference last week.

Some hon. members: Hear, hear!

Mr. Mulroney: Further to the conversations and meetings between the Secretary of State for External Affairs and Minister Genscher, I had a telephone call this morning from Chancellor Kohl. He reviewed with me the intentions of his government in respect of unification, his views on the monetary initiatives that he feels must be taken in the relatively near future to strengthen unification, plus the role that countries such as Canada will be called upon to play as the talks in respect of unification follow their important course.

I thank my hon. friend for the question. I will be happy to report back to the House further developments on this important initiative.

* * *

THE BUDGET

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Prime Minister. In June 1989 the Prime Minister stated, and I quote: "In our second mandate we will concentrate on long-term investment in people, skills, skills training, education, strategic technologies, research and development."

Will the Prime Minister agree with Pamela Smith, President of the Canadian Association of University Teachers, when she says: "This budget makes a mockery of the federal commitment to young women and men and to the future of this country"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course not, because the truth is quite the opposite.

My hon. friend will know that in respect of the EPF transfers to the provinces, the restraint measures do not apply to the main federal programs providing direct support for Canada's educational objectives. Granting councils funding will increase from $673 million to $734 million, over 9 per cent. The Centres of Excellence will increase. Canada Scholarships will increase. Official languages in education, literacy, and education programs for native people will increase.

There will be increases in the system because this government is indeed committed not only to improving education and research and development but to doing so while containing interest rates and providing for sustained economic growth.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am rather surprised that the Prime Minister did not refer to the $31 billion in fewer funds that will be transferred to the provinces between 1986 and 1995.

[*Translation*]

My supplementary is directed to the Prime Minister or the Minister of Finance. Before cutting funding, did these gentlemen consider how many courses will be cancelled, how many classes will be cut, and how many staff members will be laid off? How much will registra-

tion fees, and thus student debt, increase? How many students will be unable to continue their education?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is again another one of the scare tactics hon. members opposite are dreaming up.

On the question that my hon. friend mentioned, the transfers to the provinces under Established Programs Financing are unconditional. They do not have to go to any particular use. It is the option of the provinces to use them as they may.

As the Prime Minister has indicated, our direct funding will continue and it will not be affected. However the hon. member must understand that the transfers to the provinces have been going up and will continue to go up each year. They are going to be going up on average by 3 per cent.

Ms. Clancy: There will $80 million less in Nova Scotia.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, my friend from Halifax says that there will be $80 million less. If she would check the numbers she would find that the transfers to the province of Nova Scotia next year will go up in excess of 4 per cent.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Minister of Finance.

Aboriginal people across Canada are shocked and appalled with the decision of the federal government to cut Indian and Inuit programs by $100 million and the Secretary of State by $44 million. This is truly a shame when throne speeches and glossy government publications brag about the federal government's commitment to self-determination of native people.

Why did the Minister of Finance impose such an unfair burden on Canada's native people? Why is the Minister of Finance punishing the native people of Canada for his own incompetent economic management?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the hon. member is exaggerating what we have done in the budget. A number of native programs will not be affected by the budget. There are some that will be limited to a 5 per cent growth rate.

Ms. Clancy: Answer the question.

Mr. Wilson (Etobicoke Centre): My hon. friend from Halifax cannot contain her mouth. I am answering the question.

Mr. Speaker: The Hon. member for Western Arctic.

• (1500)

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary is for the same Minister of Finance. On February 9, the government claimed it supported International Literacy Year. It was full of rhetoric about taking a leadership role and addressing the challenge of literacy. But yesterday it cut all the northern broadcast access programs by 16 per cent and completely eliminated the native communications programs and all the native newspapers. Why has the Minister of Finance abandoned his government's commitment for native Canadians? Why is the minister being so deceitful and unfair to native Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite precise for my hon. friend. Funding of $24 million per year will be maintained. It will not be affected by the budget. Education programs for native peoples will not be affected. There will still be $736 million per year.

Ms. Blondin: I asked about this program.

Mr. Wilson (Etobicoke Centre): It is easier to listen when you are not talking. There will be $736 million per year spent on education programs for native peoples. We are maintaining our commitment there because we understand the needs of the native peoples for education.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, the Minister of Finance knows that Petro-Canada was established in 1975 to serve a definitive public policy objective, building energy security for Canadians. That is no less important today than it was in 1975.

My question is directed to the Minister of Finance who yesterday announced an *ad hoc* privatization of this successful and necessary corporation. Can the finance minister tell us who is running the government's agenda? Why is he so determined to take this regressive step that will allow foreign-dominated huge multinationals to once again dictate the future of Canada's energy resources?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my hon. friend's imagination is running a little wild here. Petro-Canada is a successful company but it no longer serves a public policy purpose.

We believe that Petro-Canada can be a stronger, healthier, more vibrant, more productive company in the energy sector in Canada if it has access to private sector investment. With that private sector investment it can build and grow. It will still be Canadian controlled but Canadians will be able to have a direct investment in it. That will help Petro-Canada in developing further a market for its products. Surely my hon. friend would not want to hold Petro-Canada back because it doesn't have the money to grow. This way Petro-Canada will have the money to grow and be a thriving giant in the Canadian petroleum industry.

Mr. Speaker: The hon. member for Edmonton East, a short question.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, under its expenditure control plan, the government says it is going to cut $2.1 billion in five years—not in constrained growth, not in frozen expenditures but in actual cuts and eliminations of programs and projects. Of this $2.1 billion, more than $850 million, 40 per cent—almost half—is going to be cut in Alberta.

My question is directed to the Prime Minister. Didn't any of the Alberta Tory MPs, including the Deputy Prime Minister or the Secretary of State for External Affairs, object to this incredible singling out of and attack on Alberta? Or were they just ignored?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us look at the items in the expenditure control plan individually. We have treated Alberta the same way as Ontario and British Columbia.

There are three provinces in the country that are not receiving equalization. It was on that basis that we made the distinction. If we had not made that distinction I am sure that my hon. friend would be up on his feet saying that we have been hurting the weaker provinces of the country, so we made that distinction.

As far as OSLO is concerned we will continue with the engineering phase of that project but after that, because of our financial position and because of the economics of the project, we believe it is not wise for us to continue to support that project in providing substantial amounts of taxpayers' moneys to proceed with it.

We believe that the over-all program that we have followed, government-wide and Canada-wide is a fair and balanced program.

* * *

PRIVILEGE

RESPONSES TO ORDER PAPER QUESTIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I gave notice to the Chair earlier today that I intended to rise on a question of privilege immediately after Question Period in relation to a response given to the House, and to myself, regarding Order Paper Question No. 162, standing in my name.

I have also indicated to the Chair in writing—and I am prepared to do it again—that if you deem I have a prima facie case of privilege, I am prepared to move the appropriate motion and send the issue to a parliamentary committee.

You will recall, Mr. Speaker, that some time ago, on April 27, 1987, the Government of Canada, in replying to an Order Paper question, had at that time provided information to the House which was inaccurate. It was also in relation to a question that I had asked at the time and it referred to an individual by the name of Giovanni Mowinkle concerning his invoices with the Government of Canada.

The response at that time from the government was that Mr. Mowinkle had not been hired. On April 27, 1987, the government finally admitted that, in fact, it had made a mistake or, in any case, had provided wrong information to the House.

I accepted the minister's apology and the Chair said:

> I want to thank the hon. minister for being frank. As well, the House is indebted to the hon. member for Glengarry—Prescott—Russell for accepting the explanation, and accepting it in good grace.
>
> I am sure the hon. minister will carry the message back to those who are charged with the responsibility to answer written questions, with the request that, as the hon. member for Windsor West has indicated, they read the questions carefully before providing an answer.

It was clear at that time that there was an admonishment and that the government and the officials who prepare the answers for the government were to do so in

a manner which was more accurate than it had been in the past.

Again today, Canadians realize that information that had been given to this House only a few days ago in relation to expenditures on travel by the Prime Minister were inaccurate. Indeed, Order Paper Question No.162, when answered in this House, stated that the cost of the trip in question to southeast Asia was in the amount of $544,000 approximately.

Today, Mr. Ross Howard of *The Globe and Mail* reported, and I verified this with him, that the access to information register confirmed to him that the actual amount of the expenditure was $670,000, an amount which is over 30 per cent higher than what was provided to me in terms of the Order Paper question response.

We have already been through some debate in this House as to the obligation of the government under Standing Order 39(5) to reply promptly within the 45-day limit. That, of course, was not respected. It took over 90 days for the government to provide information which has now proven to be inaccurate, but I shall not dwell on the matter of the government taking too much time to answer the question.

Instead, I want to ask for the assistance of the House, because I do believe that the privileges of all members of Parliament are affected when the government fails to provide proper information to us. Erskine May has defined the following on page 69 of the *Parliamentary Practice*, Twenty-first Edition:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually,—

The next portion is what I feel is really relevant here:

> —without which they could not discharge their functions,—

In order for us, as parliamentarians, to discharge our functions appropriately, surely it is incumbent upon the government and upon officials working for the government to provide not only the questioner, in this case myself through the Order Paper question, but the House with accurate information.

• (1510)

There is a further incident I want to bring to your attention which, I submit, clearly demonstrates not only the obligation that the government and officials of the government have in providing accurate information to the House, but the case has been raised in the past that failure to do so on the part of certain individuals constituted contempt of Parliament.

I draw to your attention Maingot's *Parliamentary Privilege* page 198, in which Maingot states:

> Similarly, should any person present documents to a committee of the House of Commons which have been forged, falsified, or fabricated with intent to deceive such committee or the House, or, to be privy to such forging or fraud, will constitute contempt of Parliament—

This was in reference to actions by the Royal Canadian Mounted Police which the House determined had acted in a manner which constituted a prima facie case of contempt when the RCMP had failed to provide accurate information to the House in an incident involving the Hon. Member for Northumberland—Durham on December 4, 1973. At that time, it was clearly demonstrated that the actions of the officials of the RCMP were in contempt of this House.

In summary, I want to indicate that I am prepared to move the appropriate motion to refer this matter to committee. The House will be aware that members are desperately trying to find out quick, timely and accurate information pursuant to the rules. The information that was provided to me was not provided in the appropriate time according to the rules, and it has now been proven beyond a shadow of a doubt, according to the access to information laws of the country, to be inaccurate.

I want to reiterate that I am prepared to move the appropriate motion to refer this matter to committee so that we can hopefully improve upon the procedure of obtaining this information so that all members and, indeed, Canadians can be properly served by this process in the future.

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Mr. Speaker, when I saw the article in the newspaper this morning I decided myself to look into why there would appear to be some discrepancies.

I want to say that it is very simple. If one looks at the questions asked by the hon. member, questions about which you know I have complained on several occasions regarding the detail, trivia and silly pieces of information that I felt the member was looking for, such as: "Did the Prime Minister visit Malaysia and Costa Rica in October, 1989 and, if so—" and so on into considerable detail down to how much gasoline was utilized, what the approximate number of kilometers were and how many pieces of luggage were carried along on the trip. There

were some very specific questions and we answered them in a great deal of detail.

I want to add that when we compare that to the access to information request, there is a significant difference between the two.

Mr. Boudria: Yes. One is the truth.

Mr. Clark (Yellowhead): Put that on the record.

Mr. Boudria: I am. One is the truth.

Mr. Cooper: Let me just quote from that request: "the itemized costs incurred by the department relating to the Prime Minister's trip to Los Angeles, Singapore, Kuala Lampur and Costa Rica..". Already, Mr. Speaker, you can see a difference in the type of information sought. This one is much more detailed than the question put by the hon. member. It also went on to say that in addition to itemized travel expenses abroad related to this trip, please itemize other costs where possible, such as costs of advance preparation.

Neither myself, the departments nor the huge number of people involved in answering the hon. member's questions have in any way misled him or the House. I want to make the case once more that we have been down this garden path with this particular member before. He continues to ask questions that take a great deal of time to answer and a great deal of people's work and taxpayers' money. In fact, I am now working on another question for the hon. member that is already made up of over 1,300 pages of material.

The hon. member has the audacity to stand up in the House and complain because the information he gets is a little different from another request. What he has is not a question of privilege. The matter is totally out of order and it is consistent with his behaviour on other questions.

Mr. Boudria: Mr. Speaker, I have submitted to you that there is here a *prima facie* case of privilege. The member opposite has made all kinds of disparaging remarks. Of course, he has not in any way claimed that there is no question of privilege. I believe what I have submitted to you is accurate. I am comparing the information I received with the access to information registry.

The members across may make all kinds of accusations. That is their privilege. They may not like the questions I ask but, I am not asking the Speaker to rule as to whether or not my questions are likeable. That is an issue to be discussed at some other time. What we are discussing here today is whether or not members can be expected to obtain accurate and prompt information from the government, not information that I like or anyone else likes, but information in accordance with the rules and traditions of this House. That has not been provided in this case.

Finally, the member opposite says that the question was incomplete. I want to remind you, Sir, of my question. I asked: "What was the total cost of the trip?" Total cost includes everything, Mr. Speaker.

The member opposite cannot say that my question was not specific enough. I asked for the total of the cost. I suggest that is quite specific. I do not want to debate that point at any great length.

The Speaker should be interested as to whether or not there is a case of privilege here and whether the rules either need to be qualified or the government held to account for the fact that it cannot provide information pursuant to the rules that we already have.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it seems to me that we have some kind of a dispute here. The hon. member for Glengarry—Prescott—Russell has indicated that in his view the answer was inaccurate. The parliamentary secretary has given an explanation as to why the answer pursuant to the Access to Information Act was different than the answer given to the hon. member.

The rules of this House are very clear. The information to be provided to the House must be accurate and must not mislead the House. There is a suggestion that that may have happened in this case.

Given the explanations tendered by both sides, and subject to Your Honour reviewing the remarks that both members have made, it seems to me that it would be an appropriate case to refer to the committee so the committee can investigate to see whether, in fact, the answers appear to be in accordance with the rules.

Mr. Cooper: Mr. Speaker, once again, I want to renew my offer. We are quite happy to have this issue go before the parliamentary committee on privileges and elections as long as it includes the types of questions that we are going to be asked to answer and the kinds of time frames that we will be required to meet. We have discussed that before. Any time the members want to have that motion, we will be happy to take it.

SPEAKER'S RULING

Mr. Speaker: I have listened very carefully to the Hon. Member for Glengarry—Prescott—Russell, the parliamentary secretary and the helpful comments of the Hon. Member for Kingston and The Islands.

What we have here is a proposition put to the Speaker on a set of facts which are literally as follows: the Hon. Member for Glengarry—Prescott—Russell put a question on the *Order Paper* some long time ago. After a period of time which exceeded the time in which the rules ask that the government provide an answer, an answer was obtained and the sum total of money with respect to the voyage of the right hon. Prime Minister and others was given at a certain amount.

Later, apparently a journalist applied in whatever form the journalist chose to put his question, but he did so under the Access to Information Act. The answer came back showing a total cost exceeding that which was given to the hon. member earlier.

• (1520)

The hon. member has quoted some precedents. If one takes a look at the precedent which the hon. member for Glengarry—Prescott—Russell indicated was apposite to this problem I believe the question of intent was mentioned, if my notes are correct. The Parliamentary Secretary rose, and after debating for a moment or two with the hon. member on another matter which I do not have to decide, has indicated that as far as he is concerned, that in both the answers, the government was proceeding and doing the best it could to make those answers.

The two answers have come out differently. As the hon. member for Kingston and the Islands has been quick to point out, there is a difference. It is hard for me to find that the cause of that difference is such as to justify my moving the matter as a *prima facie* case of privilege. There is no indication that there was some intent to deceive the House. If that were the case then I might have a very different view of it.

The Hon. Member for Kingston and the Islands has made a suggestion which might, indeed, be helpful. It is not for me to follow up and order that because I do not have the power to do so. But, if there has been a legitimate difficulty in obtaining the answer to two questions which as the hon. member for Glengarry—Prescott—Russell says—even if he concedes the questions were not phrased in exactly the same way—strove to obtain the same answer that may be something the committee would want to look into. All hon. members are affected by the accuracy of information given by the House. But that, I think, is something which the committee itself has every power to consider.

I understand the complaint brought by the hon. Member for Glengarry—Prescott—Russell, but I have to also accept the hon. parliamentary secretary's explanation. If that is not satisfactory in terms of giving accuracy to the House then, of course, the committee is free to have a look at it and see whether accuracy can be improved.

While there is a complaint and a difference in answers, I do not find it is a question of privilege. I thank the Hon. Member for Glengarry—Prescott—Russell for putting his argument in a clear and succinct way and for giving me adequate information beforehand which enabled me to reply quickly to the House.

Mr. Clark (Yellowhead): Mr. Speaker, it would not strike anyone as surprising that different questions would elicit different answers. The point I wanted to make is that at the end of his exchange, from his seat, the Hon. Member for Glengarry—Prescott—Russell said that one of the answers was the truth. That indicates a very clear allegation that one of them was a falsehood. I would ask him to stand in his place and withdraw that.

Mr. Boudria: Mr. Speaker, if one was the truth, obviously the other was inaccurate. Maybe that should be explained to the right hon. Secretary of State for External Affairs. Perhaps his colleagues can do so for him, slowly.

Mr. Speaker: Truth is often an elusive thing. Perhaps we can agree that there were two different answers and the truth lies somewhere in between.

ROUTINE PROCEEDINGS

[*English*]

PETRO-CANADA

PRIVATIZATION OF COMPANY

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, yesterday my colleague, the Minister of Finance, announced that the time had come to allow direct public ownership of Petro-Canada.

I am pleased today to give the details of the government's decision to offer the shares of Crown-owned Petro-Canada to the Canadian public. These are very important times for Petro-Canada.

[*Translation*]

The industry, including Petro-Canada, has worked together in exploration efforts that have resulted in the discovery of more than one billion barrels of estimated reserves. And today, with excess international oil supplies and more stabilized prices, the industry must look at ways of financing the development of Canada's massive reserves.

[*English*]

In order for Petro-Canada to be a full and participating member in the development of these reserves, it must improve its debt position to more manageable levels and it must have the financial flexibility to compete alongside its private sector counterparts.

Petro-Canada is clearly at the crossroads.

Today, Petro-Canada is an integrated oil corporation that this government directed in 1984 to operate and compete as a private company. What Petro-Canada needs today is the same ability that its very competitors do to finance its own growth.

In last April's Speech from the Throne, the government announced that it intended, and I quote: "To further privatize those Crown corporations which no longer serve a public policy role".

The future of this industry in Canada depends on the development of our vast reserves. To be a partner in these initiatives, Petro-Canada needs equity capital and financial freedom. In consideration of this, and in consultation with the management of the corporation, the government has decided to offer the shares of Petro-Canada to the public so that this Crown corporation can continue to grow and serve Canadians while remaining Canadian owned and Canadian controlled.

Legislation will be tabled later this year to permit the sale of Petro-Canada shares to the public. Once legislation is passed and appropriate financial and regulatory steps are taken, and with market conditions permitting, the board of directors of Petro-Canada will be asked initially to offer a treasury issue of about 15 per cent of the company to all Canadians. On completion of the initial offering, the government's holding will be reduced to about 85 per cent of the shares of Petro-Canada.

[*Translation*]

One only has to review Petro-Canada's original mandate to understand why this is the right time to give Petro-Canada a secure future as we approach the year 2000.

Many here will remember its original mandate: to engage in state-to-state trading, to give the government a window on the industry and to contribute to energy security in Canada.

Well, Mr. Speaker, in the past 14 years, Petro-Canada entered into only one state-to-state deal and it is very evident that these arrangements are no longer an important component in today's world oil market.

As for the window on the industry issue, the government understands and has available to it all the information it requires in order to provide safe and secure energy to Canadians today and into the future.

And finally, if one is concerned about Canada's energy security, they would naturally support a decision which would allow Petro-Canada to participate and develop the reserves that have been discovered in cooperation with other private sector partners.

[*English*]

Now is the time to give Petro-Canada the financial freedom to participate in securing Canada's energy needs into the next century and beyond. In fact, only blind devotion to state enterprise would be a reason for denying the company, and its employees, the chance it

wants and has earned, to be Canada's independent, world-class integrated oil corporation and a source of national pride.

Full details of this initiative will be contained in the legislation and will be developed in consultation with the board of Petro-Canada. I would, however, like to inform the House today of some of the more important provisions under which this initiative will proceed.

• (1530)

First, legislation will allow for the sale of all Petro-Canada shares. They will be offered in a manner to ensure broad-based participation in the ownership of the company.

Second, the board of Petro-Canada will develop an employee share ownership program as part of the initial offering.

Third, no one individual will be permitted to hold more than 10 per cent of the publicly-held shares and there will be a 25 per cent restriction on the cumulative foreign ownership of publicly-held shares.

Fourth, the Minister of Privatization will retain the government's holdings and arrange a shareholder's agreement with the company indicating the government's intention to manage its shares as an investment.

The overriding principle will be that the company will operate based on sound business objectives in the same manner as any private sector company. Under this arrangement there will clearly be an arm's length relationship between the government and the corporation.

Fifth, through either the provisions of the legislation or the articles of incorporation, Petro-Canada's headquarters will remain in Calgary and the company will continue to adhere to the Employment Equity Act. Employees of the company can be assured that Petro-Canada's policies governing salaries, pensions, benefits, relationships with the unionized workforce and official languages will be continued.

[*Translation*]

Mr. Speaker, since 1984 the government has adopted a more market-oriented approach to energy policy with the dismantling of the National Energy Program. Oil and gas markets have been deregulated, special taxes on the oil and gas industry have been lifted and the Petroleum Incentives Program has been phased out.

[*English*]

The government today is empowered with all the necessary legislation it requires to provide Canadians safe and secure energy into the future.

State ownership and state control no longer makes sense in this important sector.

Petro-Canada's time has come and it has earned the right to be an independent, Canadian owned, Canadian controlled national corporation without the state in the middle.

I can only say to the company and its dedicated employees who are capable and eager to meet this challenge: "You have earned and deserve this opportunity and Petro-Canada's future has never been better. Good luck. *Bonne chance.*

Some hon. members: Hear, hear!

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, first of all I want to thank the minister for giving me a copy of his statement a little earlier today so I had an opportunity to have a look at it. I guess my first question to the minister, on behalf of all of us on this side, is why. Why take this marvellous instrument of national policy which has served us so well for the last 16 years, and dismantle it?

Probably I have just answered my own question. That is probably why the government is doing it. One of the blind obsessions of this particular administration is to do away with anything, good or bad, but particularly if it is good, that reminds it of a past when we had sovereignty, when we were masters in our own house.

The minister says: "Sell the shares to Canadians". Who in this House is against motherhood? Of course, sell the shares to Canadians, but there is something redundant about all that. Why sell it to people who already own it?

Mr. Epp: When were you ever at a shareholders' meeting?

Mr. Simmons: As your Minister of Finance says, you learn a lot more if you listen.

Mr. Epp: But not from you.

Mr. Simmons: You could try. How would you know?

Lest it sounds like my good friend the Minister of State for Privatization and I are singing from the same hymn book when we talk about selling shares to Canadians, let it be clear what I am saying.

At the moment all Canadians own Petro-Canada. Let us be clear what he is saying. He wants just a handful of Canadians to own it, as in the case of Air Canada, the Pierre Jeanniots, the Claude Taylors of this world. That is what he has in mind. That is who he has in mind when he is talking about Canadians. So he and I are not singing at all from the same book on this one.

There is no economic purpose here. If only one could see some rhyme or reason to this. If the government is going to rush out and pay off a massive debt with the proceeds of this sale, one could begin to understand, even if one did not agree. But there is no rhyme or reason other than that blind obsession to separate themselves from everything that a Liberal government had to do with, even the good things, and they were mostly good things, as you know, Sir.

What are we talking about here? Are we talking about market driven decisions or public interest decisions? I believe the time has come for us to assess the future of Crown corporations such as Petro-Canada in terms of whether it serves the public interest. On that issue there can be no doubt. The public of Canada spoke loud and clear back in 1979 on that and many times since in polls. But in 1979, they gave the boot to an administration led by the gentleman from Yellowhead because it was about to tamper with an instrument called PetroCan.

Some hon. members: Hear, hear!

Mr. Simmons: Why, Mr. Speaker? The answer can be found in the Air Canada transaction. Who made the money off Air Canada? I will tell you who. The brokers on Bay Street made $32 million, that is who made the money. This scam today is a broker's dream. It is a boon to the business community, to the Bay Streets of this world.

We need this instrument of national policy in the oil area. After all, let us not forget that oil is still our most important energy commodity and will continue to be so for many years ahead.

We need it down the road for frontier development. What instrument will form that particular role if PetroCan is not there? With the dismantling and selling of PetroCan, the elimination of the incentives in yesterday's budget, what hope is there for the east coast development, for frontier development generally?

I suppose, in fairness, it should be said that one of the very few good ideas in this announcement is that the minister talks about employee participation. If it does come to privatization, I commend him for having that one good idea hidden away in the centre of what otherwise is a terribly bad idea.

We are losing our control in this area. We are losing our ability to effect energy supply down the road. We are losing our window on the industry. Now he has scorned that, but it does not become a bad thing just because he scorns, you see.

The Minister of Finance, during Question Period today, said: "The company no longer serves a public policy purpose". He is right, and for a very good reason, because this government would not let it serve a public policy purpose. If this government would only put its money where its mouth is when he talks about arm's length relationships, if it would only allow the instruments that we have put in place over the years to work effectively for the purpose for which they were designed, we would have less of this muddling.

• (1540)

If I had time, which I do not, I would talk about the government's lack of any clear policy in terms of privatization generally. It is all over the map in its mad rush to get rid of everything that the Liberal government put in place.

This is not the time for dismantling, not the time at all. This company still has a downstream role in terms of ensuring proper competition but, more to the point, it has an important upstream exploration and development role. It is a role that can only be performed by a company that is in the public domain. It has a function to serve, as I have said, as an agency of the Crown, continuing to encourage frontier petroleum exploration, development in the east coast offshore and in the north. Petro-Canada can still be a stimulus to activity in those areas.

In conclusion, there is a whole area pertaining to the question of foreign ownership. I heard what the minister said about the 25 per cent limitation and we went down that road with Air Canada until we looked at the fine print. We were told by the regulatory agencies of the government that there was nothing they could do. They had no monitoring process and they really had no way of

determining or policing the question of 25 per cent maximum ownership.

No matter what the minister says about the headquarters remaining in Calgary and all those things, it is only a matter of time once it becomes privatized before a bunch of the boys down in Cleveland or Texas will have the final say rather than Canadians. It should be Canadians, and we plea to the government to desist now. Stop destroying a good instrument of national policy. Tell yourselves you were wrong on this and undo it. When the legislation comes in we will have more to say about this.

Some hon. members: Hear, hear!

Mr. Len Taylor (The Battlefords—Meadow Lake): Madam Speaker, I thank the minister whose statement we just heard. The fact that he brought his statement into the House I think shows his respect for this place.

Canadians, however, will lose their last major element of corporate control over their strategic energy resources if the government succeeds in selling Petro-Canada to the private sector.

Canada is a northern, sparsely populated country that endures a long cold winter. It is essential that Canadian governments play a key role in safeguarding our energy future. The public ownership of a Crown corporation making decisions about strategic natural resources is fundamental to the management of our economy. Privatizing Petro-Canada continues what the free trade agreement began last year, giving up the public's right to influence the development of our economic future.

Petro-Canada is a crucial player in the Canadian energy sector, especially regarding the energy potential in frontier areas. It has endured numerous attacks by the Conservative Party since its creation in 1975. Even if it can be maintained, which is doubtful, control of Petro-Canada by the Canadian private sector is not good enough. There is simply no substitute for Canadian public control with accountability through Parliament.

The government has learned little about our energy resources from the experience of the seventies and eighties. The move to encourage public control over our valuable energy resources with the formation of Petro-Canada was a response to the absolutely unacceptable levels of foreign—primarily U.S.—ownership and control over Canada's energy resources.

In the mid-seventies New Democrats fought hard to make Petro-Canada a Crown corporation. It was a move widely supported by Canadians then and, I believe, now. The reasons for making Petro-Canada a Crown corporation are as valid today as they were in 1975; that is, increased Canadian owned and controlled supplies of oil and gas, increased knowledge of the federal government in the crucial areas of oil and gas and increased Canadian participation in these domestic sectors.

On August 23, 1985, the Prime Minister stated: "It is the Conservative policy to maintain Petro-Canada." He was reacting at the time to the mood and feeling of the country, which has not changed.

It is unacceptable for this government to now proceed with the selling off of the public's oil and gas corporation. Since the Prime Minister's comments in 1985, Canadian ownership has already declined from 47.9 per cent in 1985 to 42.11 per cent last year. The target of Canadian control has been all but forgotten.

This is a free trade sell-off of the Canadian control of our gas and oil. The Canadian people do not want to give more control of Petro-Canada to the United States. Our cold climate and sparse population demand a publicly controlled presence in our energy sector.

Only Petro-Canada as a Crown corporation can ensure that jobs and sourcing go to Canadians, that security of supply is maintained for all Canadians, that profits are reinvested in Canada to benefit all Canadians and not just the shareholders, that Canadians be able to maintain equity participation in the sector now that the National Energy Board has been stripped of its regulatory powers, and that the Canadian government continues to have a window on the industry so Canadians never again have to rely exclusively on the private sector and multinationals for vital energy security.

I would like to pose a few questions which I know will be answered when the legislation is tabled and we have an opportunity to question the minister further.

What is the motivation of the government in selling off Petro-Canada? Obviously it has made its mark on the energy sector. It has made its mark on the industry and it is an influence on the sector and the Canadian popula-

tion. It is a profitable, successful corporation that is doing its part within its mandate.

What is the impact on the budget announced yesterday in this House by the Minister of Finance? There was not a penny noted in the budget. No information was available in that budget on what effect this announcement would have on our budgetary situation in Canada. Obviously the inclusion in the budget was simply an opportunity to put some comments on record. When we have an opportunity to look at the impact I think we could see a further increase in the deficit. What preparations have been made in preparing for the sale of the Crown corporation?

We noted a few things in the media. Yesterday President Hopper said the move was a surprise, not unexpected but a surprise nonetheless. Departmental officials in the lock-up yesterday said that the inclusion in the budget was hastily put together, that it was a last-minute decision.

Last night in the lobby outside the Chamber after the budget was introduced I said to the minister of privatization: "I am looking forward to seeing the legislation". He smiled at me and said: "So am I".

I would like to make two suggestions on the minister's statement. He talked about the removal of the public policy role for the Crown corporation. We recognize that the energy sector in Canada has a great need for public policy direction and that Canadians will demand that in the future just as they did in 1975.

I want to talk briefly about the financial flexibility of the corporation and the sale of shares. This can be done from the public sector. We have to recognize that the Canadian taxpayers are already the shareholders of Petro-Canada and they demand the return on their investment. If Petro-Canada is to succeed further, Canadians collectively have to benefit from the success of the corporation. The return of benefits only to those who can afford to buy the shares is totally outside of the collective need of the country. We need the benefits of the profits of Petro-Canada to help finance the shortfalls in education, health care and all those other items that this government is attacking in this budget, including the loss of environmental matters.

• (1550)

They talk about no profits. A return on an investment to the shareholder is obviously a picture of profitability. If there is any return on the investment, it has to go directly to the benefit of the Canadian people who own the resource that we are using in the public sector.

New Democrats have no confidence in this government's intentions. We serve notice that we will fight this legislation to sell all or part of this important Canadian corporation.

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STRIKING COMMITTEE

TABLING OF THIRTY-SECOND REPORT

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I have the honour to present the thirty-second report of the Striking Committee.

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

* * *

[*Translation*]

CRIMINAL RECORDS ACT

MEASURE TO AMEND

Hon. John McDermid (for the Solicitor General of Canada) moved for leave to table Bill C-64, an Act to amend the Criminal Records Act.

The Acting Speaker (Mrs. Champagne): Shall the hon. minister have leave to introduce this bill?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Some hon. members: On division.

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

The Acting Speaker (Mrs. Champagne): When shall this bill be read the second time? At the next sitting of the House?

Some hon. members: Agreed.

Routine Proceedings

[*English*]

BORROWING AUTHORITY ACT, 1990–91

MEASURE TO ENACT

Hon. Jake Epp for (the Minister of Finance) moved for leave to introduce Bill C–65, an Act to provide borrowing authority.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that the hon. minister shall have leave to introduce the bill?

Some hon. members: Agreed.

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

* * *

NATIONAL SYMBOL OF CANADA ACT

MEASURE TO ENACT

Mrs. Barbara Sparrow (Calgary Southwest) moved for leave to introduce Bill C–289, an Act to provide for the recognition of the dress uniform of the Royal Canadian Mounted Police as the symbol of the sovereignty of Canada.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that the hon. member shall have leave to introduce the bill?

Some hon. members: Agreed.

Mrs. Sparrow: Madam Speaker, I rise today today to introduce this Private Members' Bill and thank the hon. member for Simcoe Centre.

The RCMP represents part of the basic fabric, foundation and formation of Canada. This establishment, first known as the Northwest Mounted Police, was created in 1873, that is 117 years ago. It was created by Sir John A. Macdonald on strong recommendations from officials in the west and the northwest, and especially from Alexander Morse, the Lieutenant Governor of Manitoba and the Northwest Territories from 1872 to 1877.

Some hon. members: Order.

Mrs. Sparrow: The most important thing was, and is today, the instant and compelling impressiveness of the uniform. One of the truest reasons why the mounted police force has been so spectactularly successful is the uniform.

Mr. Milliken: Madam Speaker, I rise on a point of order. I am sure the Chair knows that the hon. member is permitted to give a short explanation of her bill, not a lengthy speech on the the history of the RCMP. I wish she would comply with the rules.

The Acting Speaker (Mrs. Champagne): I am sure the hon. member will describe what the bill is and not enter into debate at this time.

Mrs. Sparrow: Madam Speaker, I certainly do know the rules. As I said, the most important thing was and is the instant compelling recognition and the impressiveness of the RCMP uniform and what it represents to Canadians from coast to coast.

It is a national symbol and it is recognized universally. That is why the purpose of this bill is to make the dress uniform of the Royal Canadian Mounted Police a symbol of the sovereignty of Canada. I will be very pleased when this bill is drawn to explain further the full reasons for that.

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

Some hon. members: On division.

Some hon. members: Agreed.

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

Mr. Cooper: Madam Speaker, on a point of order, I must have missed motions. I am wondering if I can have the consent of the House to revert to motions so I can do the travel motion for some of the House's committees.

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

AUTHORIZATION OF COMMITTEES TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, there have been discussions among the three parties and I am sure you will find unanimous consent for the following motion:

That the Standing Committee on Human Rights and the Status of Disabled Persons be authorized to travel to Washington for the period from Monday, March 19 to Tuesday, March 20, 1990 inclusively, in order to meet with congressmen and staff from the relevant congressional committees concerning the Americans with Disabilities Act and that the necessary staff do accompany the committee; and

That the members of the Standing Committee on Agriculture be authorized to travel to Washington for the period of March 25 to

March 27, 1990, for the purpose of discussing trade issues; and that the necessary staff do accompany the committee; and

That the Standing Committee on Communications and Culture, and necessary staff, be authorized to travel to Montreal, Quebec on March 5 and 6, 1990 in order to visit the facilities of Téléfilm Canada, National Film Board of Canada and Vidéotron Ltd.; and

That the Special Committee on the Review of the Parliament of Canada Act be empowered to adjourn from place to place and that the necessary staff do accompany the committee.

Mr. Boudria: Madam Speaker, just to confirm that, there have been discussions as the deputy House leader has indicated, as late as yesterday, and our party is prepared to give the required unanimous consent.

The Acting Speaker (Mrs. Champagne): The House has heard the motion. Does the hon. member have the unanimous consent of the House to move that motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

The Acting Speaker (Mrs. Champagne): I would like to apologize to the House. I skipped by first reading of Senate public bills. I realize that there were none.

Somehow in one of the Order Papers, motions was not printed. It was not the hon. member's mistake but a very honest mistake of the Chair.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some hon. members: Agreed.

NOTICES OF MOTIONS FOR THE PRODUCTION OF PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Government House Leader): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1600)

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, February 20, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the government.

Mr. Douglas Young (Gloucester): Madam Speaker, in participating in this budget debate, a person always has to look for inspiration, particularly after the Minister of Finance yesterday began his remarks by telling us where he thought Canada was and where it should be going. I felt really at a loss and, search as I did for inspiration, it took some time for it to come to me. I think it will take some time for Canadians to grasp fully the implications of the budget. I noticed last evening and this morning that provincial premiers, finance ministers and treasurers are beginning to understand what is taking place.

In reviewing the Minister of Finance's approach to budgets, deficit financing and interest rate policy since this government has come to power, it came to my attention that this was his sixth budget. As things often do fall into place and as I searched for this inspiration, it came to me that perhaps there were some revelations that might be available to me that I had not discovered. I went to the Bible to see if there was anything there that might reassure me that this budget would demonstrate some vision of Canada that I had not fully understood

upon its presentation. As I say, with this sixth budget, the need to understand and to seek some revelation is uncanny because in the book of Revelations, Chapter 6, verses 1 to 8, we discuss the apocalypse.

I suggest that with the death of universality, the famine that will occur as regional development is starved for funds, the kind of war that has been declared on the middle class and on small business in this country, it was nearly prophetic that in the sixth budget to be delivered by this minister those kinds of attacks, the kind of pestilence that the GST represents will be abroad in the land. I hope that Canadians will recognize that we understand the concerns that already are beginning to be expressed as a result of this budget.

Canadians want reassurance from the Minister of Finance that the Conservative government understands the economic problems facing Canada, that it cares about these problems and that it has reasonable solutions to the problems. What the Canadian people heard yesterday from the Minister of Finance was an admission that he has failed after five years of trying to manage the financial affairs of this country.

This is the wrong budget at the wrong time. The budget is a recipe for economic disaster. The budget adds to the unfairness that has been very evident in previous budgets brought down by this Minister of Finance. The budget fails to provide the strong leadership that Canadians demand as we face the financial crisis in large part created by this government.

[*Translation*]

Taxation policies, the government's monetary policy and the cuts we find in this Budget will plunge the Canadian economy into a recession. Madam Speaker, it is one thing to reduce the deficit in a period of economic growth, it is one thing to take such measures when job creation and investment are increasing, but it is something quite different to cut programs arbitrarily when interest rates are at their highest level in eight years, when unemployment is rising, when the regional economies are in difficulty and when our exports are declining. Because of this Budget, the fear of a recession becomes a certainty.

[*English*]

In five and a half years the Minister of Finance has more than doubled the public debt. When he became minister the debt was around $170 billion. Today, the public debt stands at more than $351 billion and climbing by $4 million an hour. In five and one-half years the Minister of Finance has created more debt than all the ministers of finance who came before him and all the governments that came before the Mulroney government.

Mrs. McDougall: Liberal finance ministers.

Mr. Young (Gloucester): The $351 billion of public debt accumulated means that every Canadian taxpayer now has a mortgage of some $25,000, thanks to the activity of this government.

The minister's interest in the deficit tends to change as time goes by. Two years ago, in 1988, after the minister increased the deficit, he told us not to worry, that he had things under control, everything was on target and things would be fine after his re-election and the re-election of the Mulroney government. In 1989 in his budget speech the minister again painted a very rosy picture of the deficit even though he had just increased it for the second straight year. He told us not to worry about the fact that the deficit was increasing again. He had it under control. Last year, the Finance Minister told us interest rates would fall to 10 per cent by this stage of the game, and, of course, the deficit problem would lessen.

Here we are a year later listening to the same minister make the same promises he made about the deficit last year and the year before that. There is no question that the Minister of Finance may have acquired some very, very bad habits from previous governments.

Mrs. McDougall: Liberal governments.

Mr. Young (Gloucester): Madam Speaker, I am not going to debate that with the hon. Minister of Employment and Immigration. The fact of the matter is that two wrongs do not make a right. I think he should learn after six years to operate on his own rather than point a finger at the past.

The minister says that interest rates will decrease from the 13 per cent range they are in now to 11 per cent and the deficit will be under control next year. "Trust me", he says. I think it is clear from the reaction of the financial circles that analysts, investors and Canadians

do not believe the minister will deliver on this prediction any more than he has in the past. Interest rates are not at 10 per cent, they are over 13 per cent, the Bank of Canada rate that is.

Not many people believe that he will be able to get the interest rates down to 11 per cent. They do not accept the minister's prediction that interest rates will fall 2.5 per cent to 3 per cent in the next six months. It just does not appear to be in the cards.

What does that mean for Canadians? Probably, that next year we will be hearing a Conservative minister of finance saying: "Oops! sorry, I goofed again, the deficit is not going down. We are still in trouble". But the Minister of Finance next year will be able to say: "It's not my fault, it is my predecessor's fault".

An hon. member: That is what he will say.

Mr. Young (Gloucester): Yesterday in the budget speech the minister spoke glowingly of his record on deficit reduction. Let us look at that for a moment.

The deficit in 1987–88 stood at $28.1 billion. In 1988–89, it was $28.7 billion. This year it will be $30.5 billion. Now that is going down in Conservative ways of considering these things. The government has increased the deficit in the last two years, not reduced it. Those are the facts. This dismal record was achieved when the economy was still growing. Tax incomes were increased by the Conservative government in an unprecedented way. Now the minister says that next year the deficit will be $28.5 billion. That is still higher than it was two years ago. But he says: "Don't worry, we have it under control".

The minister's record does not reflect the promises he made to Canadians when he came to office more than five years ago. The minister often refers to the fiscal plan he set out in November 1984 and that he reflected in his first budget in 1985. The minister said in this this House in his budget speech in 1985— one of the problems of being around for a long time is that a lot of these things come back to haunt you—and I quote: "Our actions will directly reduce the annual deficit at the end of the decade by more than $20 billion to $17 billion".

An hon. member: Which decade?

Mr. Young (Gloucester): Well, that is the problem. Which decade? Which deficit? And by how much? It is clear the minister has failed to solve the deficit problem after five years. Now the minister has another plan and he hopes this one works better than the last one because he is going to switch his deficit nightmare onto the backs of the provinces. Let us raise their deficits instead, and maybe just in passing, let us foist this very, very thorny problem onto the backs of those nasty premiers who will not collect the GST for him when he wants them to do it.

Canadians have to understand what was said yesterday about taxation in this budget. We have had new taxes and we have the GST coming down the pipe. The minister said."There will be no new taxes in this budget." Canadians were very quick to respond. They know that there will be taxes that are directly the result of what the minister presented to the House yesterday. Provinces and municipalities from coast to coast will have to deal with the reality of what the minister presented yesterday.

• (1610)

In Newfoundland the tax increase per taxpayer, if services are kept at the same level, will be $695 a year per taxpayer.

[*Translation*]

Madam Speaker, in the province of Quebec, each taxpayer will have to pay $582 more because of the Budget tabled in the House yesterday.

[*English*]

In Alberta it will be $592 per taxpayer. Across the country an average of $576 will have to be paid by taxpayers to make up for the cuts announced yesterday by the Minister of Finance in transfers to the provinces. For the minister to tell us that he has followed "a sustained deficit reduction plan", that this plan is working and that all the country needs is more of the same is absolute insanity. Heaven help us if this continues.

The last thing we need from this government is more of the same policies which have brought us higher inflation, higher unemployment, higher taxes and higher deficits. The minister could have told Canadians the truth. He could have said: "I have failed. My policies were wrong. The government has lost control of the fiscal situation."

What he did say was: "You people who have done the job right the last few years in the provinces, now you take on the burden of trying to pay for what I was unable to pay for."

The people are being punished in the provinces because they kept their house in order or they got it into order. One only has to listen to the reaction of the provinces, including my province of New Brunswick where tough decisions were taken. Difficult decisions were made and the budget was balanced. Along comes the Minister of Finance and says: "No, we are going to hit you with these kinds of reductions and we will put you in the same kind of mess that we got ourselves into."

[*Translation*]

In his economic statement in November 1984, the Minister of Finance warned that if the government did not take action, if it merely pursued the policies implemented by the previous government, government spending would reach a new record high of $137 billion by 1990. The minister was terrified of this possibility. He said it would be irresponsible, and he suggested solutions to remedy the situation, Madam Speaker. Some solution!

In 1984 during his first year as Finance Minister, the government spent $109 billion. Yesterday's Budget sets total government spending in 1990–91 at $148 billion, an increase of $39 billion since 1984, and $11 billion more than the figure the minister found absolutely unacceptable when he came to power.

[*English*]

The minister says that when we talk about these things that we should subtract interest payments. We should not consider those when we compare his record on spending. I wonder why we should do that. I thought, and I think most Canadians understand, that governments have to pay interest on their debt the same as we do.

The reason the minister does not want to talk about interest charges on the debt and interest rates should be obvious. It is because he knows that high interest rates that he caused are at the root of the deficit and the budgetary problem.

Consensus is very important. The Prime Minister talks about it all the time. Mind you he has forged some wicked consensus in this country recently. He has 80 per cent of Canadians against the goods and services tax. He has the premiers of the 10 provinces against the goods and services tax. Now he has got all the premiers of the provinces and all the finance ministers and the treasurers of the province against his budget. He is succeeding, but I am not sure it is quite what he set out to do.

Believing in consensus, the Conservatives who are members of the Standing Committee on Finance, members of the New Democratic Party and ourselves agreed unanimously last spring in committee to recommend to the Minister of Finance and the government that interest rates be reduced. Everybody was in agreement. The premiers came to Ottawa and said the same thing but the finance minister and the Governor of the Bank of Canada said no. He refused to listen to his own colleagues as now he refuses to listen to Canadians. The minister's budget shows clearly that the government's problem is not only with the debt itself. It is the interest rates being charged on the debt. The minister's numbers clearly show that the Canadian government's debt is actually smaller than the U.S. government's debt in relation to the size of the economy. Yet, the Americans are surviving very nicely with substantially lower interest rates.

The difference and the reason for the pain is that Canadians are going to have to pay interest rates on our debt that are 4 per cent to 5 per cent higher than what the American government and American taxpayers are paying. Of course, these high interest rates leave the federal government with less money to spend on national priorities, if in fact they are national priorities for the government, such as health care, education, day care, the environment, and I could go on.

The Minister of Finance and the Prime Minister say they support high interest rates because it is right for Canada. They say we need to get the deficit down so that interest rates will come down. Has the Bank of Canada Governor, Mr. Crow, ever said that he would move interest rates down if the deficit was reduced? What he has said over and over again is that interest rates will remain high until we reach what he calls price stability.

Mr. Crow has said many times that inflation is the single most important barometer for setting interest rates. Let us take a look at this situation, Madam Speaker.

As inflation remains above 5 per cent, why would Mr. Crow reduce interest rates even if the deficit was reduced, if we take him at his word that inflation is what is important. This government does not care how many people lose their jobs. They are talking in their budget documents that unemployment is going to go up but that is what has to happen in order to bring inflation under control. The government does not care about how many western farmers lose their land. The government does not care about small business. Did they listen to John Bulloch and the Canadian Federation of Independent Business as they pleaded for government understanding with respect to the GST?

Does the government care about how far our exports fall, what is happening to our export trade balance? The Prime Minister and the Minister of Finance support the policy of the Bank of Canada Governor without reservation. That is the way it has to be. It appears that that is what they do, but every now and then on a Friday afternoon the Prime Minister forgets himself and says: "Oh well, interest rates will go down after the budget".

An hon. member: The tail is wagging the dog.

Mr. Young (Gloucester): The question that has to be asked of this government is not whether Mr. Crow's policy of zero inflation makes sense at any time, but does it make sense in a period of slow growth. We would all like to have lower inflation, but achieving inflation reductions means higher interest rates, more bankruptcies, higher unemployment and lost exports. The zero inflation battle means an unacceptable level of hardship for Canadians.

We already have the highest interest rates in eight years. This is after five years of good management and good planning. They are the highest interest rates since the recession of the early 1980s and the highest inflation in six years. We have high interest rates and high inflation. It does not all fit.

Many people hear a great deal from the chairman of the finance committee. He says we should let the dollar fall to 78 cents. We have the Prime Minister saying that interest rates will fall. They should be falling any moment now, according to his statement a couple of weeks ago. In the middle of all of this, we have the Minister of Finance saying he is demonstrating good management.

We are always amazed by the creativity the Minister of Finance displays when it comes to finding new excuses for why he is keeping interest rates high and why he supports that policy. A couple of years ago when our interest rates were increasing, he said it was because the American rates were going up. A country like Canada that was intertwined and involved with the United States, through the free trade agreement and geographically, could not possibly have significantly different interest rates than those of the United States. He ridiculed anyone who suggested that maybe we should have a made-in-Canada interest rate policy. He said that an independent monetary policy was unthinkable.

Now things have changed, and the minister and the Governor of the Bank of Canada are pursuing an independent monetary policy with an enthusiasm that none of us could have dreamed possible. We do not hear the minister telling us now that we have to lower our interest rates because American rates are low. No, with Canadian interest rates now 5 per cent higher than those in the United States, the minister has adopted a policy that he said was totally wrong-headed. We are now running an independent monetary policy. Unfortunately for Canadians, it is a high interest rate policy.

The minister then went on to tell us that if we did not keep rates high, the dollar would fall. Well, last year, the dollar was up to 86 cents, so that really did not hold water too much.

He told us that inflation was out of control and he could not possibly lower interest rates then because inflation had to come down. Inflation came down from 5.4 per cent this past summer to 5.1 per cent by the end of the year.

• (1620)

He had to come up with something else so he told us that now interest rates have to stay high because it is necessary to keep foreign capital investment flowing into Canada.

This week the minister is back and he says that inflation is up again so we have to have a high interest rate. At the same, there has been a run on the Canadian dollar. They are spending like mad to try to prop it up.

Madam Speaker, is it any wonder that Canadians are confused? Is it any wonder that the money markets do not know how to respond? Is it any wonder that investors are concerned about what is happening with this government?

Statistics Canada tells us that inflation in the economy in January actually fell from 5.1 per cent to 4.5 per cent. The reason the over-all inflation rate was at 5.5 per cent was because of federal sales tax increases. We have heard about no new taxes. There was a federal sales tax increase inflicted on Canadians by the minister in last year's budget and it is pushing up consumer prices. The minister hits us with more taxes which cause inflation. Then he punishes everybody for his own actions by causing interest rates to increase to their highest point in eight years.

The recent hikes in interest rates bring up a couple of questions. First, the minister has told us that when his goods and services tax takes effect in 1991—that is a new tax, incidentally, that has not passed through Parliament yet.

An hon. member: Was that mentioned in the budget?

Mr. Young (Gloucester): No, there are no new taxes. Canadians might find themselves a little surprised on January 1, 1991 unless we are able to block the goods and services tax. It certainly is a proposed new tax.

In any event, the minister says: "Don't worry. Don't worry because interest rates won't rise when the GST comes in." He says that he and Mr. Crow understand the difference between normal inflation and inflation caused by sales tax increases. So, even though the GST will push inflation up by about 1.25 per cent according to the department's figures, he and Mr. Crow will have nothing to do with raising interest rates because the inflation caused by GST is a sales tax thing and is only going to happen once.

Mr. Crow's decision to move the interest rate to 13.32 per cent last Thursday because federal sales tax increases pushed inflation up by 1 per cent in January I think demonstrates quite clearly that Mr. Wilson may understand the difference but Mr. Crow thinks that inflation is inflation is inflation, no matter where it comes from. I think we can all predict how he will react to inflation in January 1991 based on how he reacted to inflation based on sales tax increases in January 1990.

Mr. Crow and the Bank of Canada will raise the interest rate as much as he thinks it needs to be to slow the impact of the GST-induced inflation. The Minister of Finance should stop misleading Canadians when he says that the GST will not increase interest rates. He is wrong. He knows he is wrong. The track record shows he is wrong. He should start telling Canadians what the truth is about the GST. The goods and services tax will be a new tax in 1991 that will cost Canadians money, will cause higher interest rates and will cause higher inflation. The cuts in this budget which the Minister says contains no new taxes is really in fact the price we are paying now for the GST that will come in next year. It is as simple as that. It is going to cost the government, according to its own figures, $1.8 billion just to bring in this tax.

Another question which needs to be answered is whether the tax increases which occurred in January were really necessary. According to the minister's budget documents—and this is from last year's documents—the sales tax increases on construction materials, farmers' fuel and gasoline were expected to raise about $700 million in new taxes to help reduce the deficit. The interest rate increase which was caused in part by these very same sales tax increases cost the government another $800 million in interest charges on the debt. So, overall, the new sales tax increases which took effect on January 1 of this year will actually increase the deficit by $100 million. That is Tory economics at their best; higher taxes, higher inflation, higher interest and a higher deficit.

Mrs. McDougall: And more and more jobs.

Mr. Young (Gloucester): Well, Madam Speaker, we have just heard from the Minister of Employment and Immigration who talks about more jobs. The fact of the matter is in the budget documents it is clear that the Minister of Finance expects fewer jobs. He is talking about an increase in the rate of unemployment in the country and says it is necessary to get inflation under control.

I do hope that the Minister of Finance has consulted at least with his colleagues on this matter because there seems to be a difference of opinion.

An hon. member: She hasn't read the budget.

Mr. Young (Gloucester): When the minister came into office in 1984 the government collected $71 billion in taxes. That is what the take was, $71 billion. Next year the Conservative government proposes to collect $119 billion in taxes. In five and a half years taxes have gone up by $48 billion. Unbelievable. The Conservative government has subjected Canadians to 32 separate tax increases since 1984, giving, I think everyone will agree,

new meaning to the old saying that Tory times are tough times and Tory times are taxing times.

I kept listening to the minister in Question Period today talking about putting things in perspective. In 1984 when it came into power, the government collected $29 billion in personal income taxes. This year the Mulroney government proposes to collect $56 billion in personal income taxes, almost double what was collected in 1984.

When the government came into power, in the perspective of the goods and services tax combination, the manufacturers' sales tax, that famous silent killer of jobs, collected $7.7 billion for the government in 1984. This year, from the very same tax, the government proposes to collect $18.5 billion. The silent killer of jobs has moved from collecting $7.7 billion to $18.5 billion, two and a half times what they were collecting five years ago.

These people know how to tax us. The minister's new goods and services tax that he hopes will be passed by this Parliament, will collect gross revenues of about $23 billion or three times more than what they collected with the federal sales tax in 1984 when they came to power. So, you have to believe that this minister, who promised in 1984 not to raise taxes because they were already too high, has set quite a sad record during this period.

How they got there is interesting because it may serve as a precursor to what is going to happen when the new goods and services tax comes in next year if the government gets its way.

In 1984 the Tory regime raised the manufacturers' sales tax from 9 per cent to 10 per cent. In 1986, a little less than two years later, it raised it from 10 per cent to 11 per cent. Later that same year, a year when they were in a taxing mood, it raised it again from 11 per cent to 12 per cent. Then, in last year's budget, the minister raised it from 12 per cent to 13.5 per cent. Imagine, Madam Speaker, from 9 per cent to 13.5 per cent in a little over four years. Just imagine what will happen to Canada if the same kind of thing occurs with the goods and services tax and why would it not, given the record of this government?

The government has raised sales and excise taxes on gasoline eight times since it has come to power, the last time being January 1 of this year. But there are no new taxes in this budget. It has got them all in place and it even has got the mechanism in place for the new one next year. This is a sort of a deficit reduction year through budget cuts.

In 1986 the minister eliminated the federal tax reduction for low income Canadians. He also put on what he called a temporary surtax of 3 per cent on income tax. Two and a half years later he decided the so-called temporary surtax was too temporary, so he made it permanent and raised it to 5 per cent last July.

In 1986 he decided to increase the tax on airplane flights. In 1988 he taxed cable television fees and long distance telephone calls. Now, Madam Speaker, when Bell says: "Reach out and touch someone", you know that maybe that other hand there belongs to the Minister of Finance.

In 1987 he started to tax chocolate bars because, what the heck, why leave the kids alone? When you go for it, go all the way. Now when your child reaches into his or her pocket to pay for a candy bar, guess whose hand is there? We also had the experience of the minister starting to tax soft drinks. So when your kids catch the feeling, oh, oh, you might catch the minister dipping his hand into that pocket too. They have toys since 1988, as well as paint and wallpaper.

Then, in 1989, it began to tax back family allowance and senior citizens' old age security pensions. This is a taxing government.

[*Translation*]

The GST is the end product of a so-called reform initiated by the Conservative Government, a reform that was supposed to increase sales tax and corporate income tax while reducing personal income tax. However, this reform has failed miserably, which comes as no surprise. Since 1984, the Canadian family's income tax has increased instead of going down, except for Canadians on very low incomes and, of course, the wealthier members of our society. Tax revenue from personal income tax has doubled since 1984. From now on, all Canadians will pay a surtax of at least 5 per cent on their basic tax bill, and in addition, the minister is now taxing family allowances and old age security benefits.

• (1630)

[*English*]

It is this kind of deceitful record setting out the lack of fairness in Conservative tax reform that leaves Canadians absolutely unconvinced when the minister tries to tell them that the GST will be good for them, that they will be better off. That is the message we have been hearing. It is the message Canadians have been rejecting.

He says the GST will make low-income Canadians better off. Nobody believes that. Nobody believes the rate will state at 7 per cent very long either.

The minister said the GST will be revenue neutral, and everyone knows it is the beginning of the largest tax grab in Canadian tax history.

He told us for two years that the GST would raise $18.5 billion in 1991. In yesterday's budget he now admits what we have been saying all along: the goods and services tax will raise more revenue than we have been told it would. The minister in his own document says the GST will raise $19.5 billion, a $1 billion increase. He just happened to find it and there it is already, an extra billion dollars.

[*Translation*]

The minister told us that the GST would be visible. We know that in most cases, it will be invisible. He said the GST would be simple. Just ask Canada's small businesses, because Canada will be the only country in the world with two systems for collecting sales tax: one federal and one provincial. The Canadian Federation of Independent Business told the government that the GST would be an administrative nightmare for small businesses.

The minister promised to abolish the temporary surtaxes on personal income tax as soon as the GST was implemented. Predictably, he has now made these surtaxes a permanent fixture and increased them from 3 to 5 per cent. He promised the GST would be accompanied by lower taxes for the middle class, but once again, he broke his promise. He promised that the government would pay compensation to small businesses who would have to collect the GST. That is not the case. He promised that the GST would not be imposed on food, but, Mr. Speaker, it will be added on to the price of cookies, pies, sandwiches and practically everything else sold in a restaurant. And we must not forget that almost half of all food product sales will be affected by the GST because the products are eaten outside the home.

For months, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) kept telling Canadians that they would never bring the GST down from 9 per cent, but a few opinion polls later, the GST rate was reduced, but not enough, because Canadians still massively reject the proposed goods and services tax.

The Minister of Finance keeps telling us that the GST will not cause interest rates or inflation to go up. Nobody believes that, and nobody believes there will be no new taxes for Canadians as a result of the Budget he brought down yesterday, Madam Speaker.

The Minister of Finance and the government should realize that all Canadian taxpayers have to pay federal, provincial and municipal taxes, and for the vast majority of Canadians, the goods and services tax is the last straw. Enough is enough. People are saying this across the country. Canadians are always willing to pay their share, but they fail to understand why they should be paying more taxes, when the Auditor General told us two weeks ago that the accounts receivable for taxes and other revenue owing to the government totalled over $7 billion.

[*English*]

This government strategy on taxes can be summed up very simply: high, higher and highest. Canadians are saying no to the GST. My colleagues and I have collected the names of over 600,000 people on petitions, people who are saying no to the GST. My colleague from Dartmouth is heading up an electronic petition campaign, a first in this country I believe, against the GST. That campaign will be conducted between March 12 and March 16. We hope that Canadians across this country will call in and make sure they register their opposition to the goods and services tax. We in the Official Opposition are committed to stopping the tax. We hope the government will come to its senses, listen to Canadians and axe the goods and services tax.

Mr. Turner (Halton—Peel): What's your alternative?

Mr. Young (Gloucester): I listen to my hon. friend who used to have a great deal to say about tax reform. I understand his concern about an alternative. Certainly

the goods and services tax is not the alternative that is going to be acceptable.

Some hon. members: Hear, hear!

Mr. Young (Gloucester): What my hon. friend should be asking his constituents is whether they are for this alternative that his government has proposed, rather than going to people and saying: "What's your alternative?" This shoe does not fit. Canadians are not going to wear it.

It has become absolutely clear that the Conservative government is not interested in regional fairness. We face a crisis in Atlantic Canada. The Prime Minister promised to help. He came to the House and said: "Yes, we will be generous. There will be a generous aid package." Yet in the budget there was not a word about the east coast fishery and not a word about a special aid package. The bottom line yesterday for Atlantic Canadians was that there is not a penny to help them cope.

This government is getting out of the business of regional development. That is the underlying premise in the budget yesterday. It does not have enough courage to say what it is doing. It says one thing and does another. ACOA, western diversification, FEDNOR and regional development programs will no longer provide assistance to the regions in the form of grants. Oh, no, no more grants. Now we are going to lend money. Now we are going to make sure we are going to get it back. That is fine.

If you want to get out of regional development because the Americans are telling you to do it, say so. There is nothing wrong with that, if that is what you believe in. What is wrong is saying one thing and doing the other.

We well know that when the free trade agreement was being negotiated one of the targets was grants and subsidies under regional development programs. Again the Government of Canada is sacrificing the interests of the regions and sacrificing the future of Canadians because of the free trade agreement.

Simon said: "Don't worry. They are not on the table. Don't worry about unemployment insurance. We've got that taken care of. Don't worry about regional development. Don't worry about grants and subsidies." Simon was right. The Americans did not have to worry about them because the Conservative government got rid of them. That is absolutely disgraceful.

Now we come to the decision that was amplified today by the Minister of State for Privatization and Regulatory Affairs: the government's last-minute decision to sell Petro-Canada. That is further evidence of the absolute disintegration of this government's will to govern in Canada as a sovereign government. It is another loss of a lever that allows us to control our economic destiny.

This is in the face of increasing foreign ownership that is coming at us from every direction. We could talk about the American Express Bank proposal. We could talk about what happened with Esso and Texaco. We could talk about so many things, but now we are talking about the ownership of a key Canadian industry, a sector that is fundamental to the survival of any country that has those kinds of resources.

The government had a chance to take a strong stand and reaffirm at least a semblance of some commitment to Canada and it said no. It was a last minute, knee-jerk decision to sell Petro-Canada.

As is clear from comments made as the minister responsible for privatization spoke today, there will not be one penny's benefit to the Canadian taxpayer. More important—and Canadians have to understand this—not one cent as we sell off one of these valuable assets will be applied to the reduction of the deficit. That is because we will be giving it away the way we gave away de Havilland and wound up paying the company that bought it more than it ever expected when it first bought it.

After five and a half years and six budgets presented by this minister, our tax system is more unfair than ever before. Basic services that average Canadians have come to rely upon over the years are being eliminated.

Canadians, including seniors, have to pay tax on interest they earn on their savings even though those amounts of interest may be less than $1,000. Canadians have had unemployment insurance benefits cut and threatened, premiums have increased and the Government of Canada has withdrawn from participating in the UI program other than to say what we can do. There is control but no money.

• (1640)

According to a study conducted by the well respected Institute for Research on Public Policy, targets for the minister's income tax reform have been low income and middle class Canadians. The only people who will be paying lower income taxes are those with incomes less than $10,000 and those with incomes over $100,000. Wealthy Canadians with incomes over $100,000 are paying $1,570 less in income tax today than when the finance minister took office in 1984.

The bottom line is that the middle class has been the favourite target of the finance minister's tax increases. The tax reform program imposed by this minister has been nothing but an all-out attack on the middle class of this country. They understand it. If members to your right, Madam Speaker, do not understand what is happening to the middle class in this country, the people who are paying the burden understand it. It is reflected every time you turn around anywhere you travel in this country.

Personal income tax revenues have increased three times faster than corporate income taxes since 1984. The Conservative government is now proposing to implement the goods and services tax which as my colleague from Ottawa South has said in this House is the single largest tax holiday afforded to corporations in the history of this country that he has been able to unearth—$6 billion in taxes being transferred from corporations to consumers.

This kind of thing is being done in this context. As the minister said today, let us put it in perspective. Some 1.4 million Canadians have not been able to provide enough food for themselves and their families in the last year. They have had to rely on food banks across this country. That is something that many of us never, ever dreamt that we would ever see again. One million Canadian children live in poverty. People know that something has to be done, but this mean-spirited budget focuses on the most vulnerable segments of our society. It does not go after the fat; it goes after the poor, the homeless, the elderly, the youth, and the sick. Even native people have not escaped the cuts in this budget.

Mr. Fontana: Don't forget the veterans.

Mr. Young (Gloucester): Some 5,000 veterans, more or less, as my colleague from London East says, are being asked to make further sacrifices. I guess somebody thinks they have not done enough. They are going to have to pay $3,000 a year to lay in their sick beds.

It is a tragedy that people do not understand what the policies of this government are doing to Canadians. They seem to be completely oblivious to the economic chaos, the fiscal problems, the basic unfairness, and the human suffering that their policies are creating.

Mr. Turner (Halton—Peel): What would you do?

Mr. Young (Gloucester): The hon. member asks what would I do. I think the answer to that is that Canadian people would love to have a choice, to see what in fact we would do, if they only had an opportunity. In every poll whether it is on the GST or the budget, on every issue that is put before Canadians today the one thing that they are nearly unanimous on is that they want nothing more to do with this government.

Some hon. members: Hear, hear!

Mr. Young (Gloucester): The reason for that is that this government has broken promise after promise. It has failed to meet one commitment after another. It has committed to reducing the deficit; the finance minister said it so often. Then he changed his mind and the deficit increases. He says that policies will result in lower interest rates, but they are the highest in eight years. He then contradicts the Prime Minister who said that after the budget things will be much better and interest rates will drop. The minister and his government have set an all-time record for saying one thing and doing another.

Canadians are uneasy because there are so many things about this government they cannot understand. They just cannot follow the reasoning or logic if in fact there is any reason or logic.

The economy appears to be in danger of moving into a recession, and some people would argue that we are already there. The finance minister says in his budget documents that we are going to have negative growth in 1991 for one quarter and maybe for a second quarter. It becomes a theoretical argument whether or not we are into a recession, but does it make sense to be slashing programs and imposing the goods and services tax, a brand new tax of 7 per cent, on Canadians?

Mr. Turner (Halton—Peel): What about the debt?

Mr. Young (Gloucester): The member talks about the debt. We know that Canadians from coast to coast are talking about the debt, a debt that went from $170 billion to over $350 billion in five years. Why would they not be talking about the debt? It is the kind of debt accumulation that has never been seen in the history of this country. That is why they are talking about it.

The alternative for the federal government to the debt in large part which it created is to turn it over to the provinces and the municipalities. The government says: "Let's not take responsibility for it ourselves. Let's not be strong enough, confident enough and forthright enough to say we caused it. We will take care of it. We will take the heat. Let's slough it off on the 10 provinces and the territories".

With the challenges facing youth today should we be cutting summer employment programs? Should we be telling the young people in this country: "Forget it, there is no job for you this summer"?

What about research and development? How are we going to compete? We are talking about level playing fields. We are imposing a goods and services tax at 7 per cent that our biggest competitor to the south does not have. We are cutting the opportunities to be able to compete on a level playing field.

What about the lack of commitment even to talk about the crisis in the Atlantic fishery? How did it come to pass that with all the members from the west who sit to your right, Madam Speaker, there was not even a passing comment on what is happening to western farmers?

An hon. member: And British Columbians.

Mr. Young (Gloucester): What has happened to British Columbians? The *Polar 8* was not just an ice-breaker; it was a symbol. I know that the premier of British Columbia, his finance minister and British Columbians generally will be able to make the argument not just on the basis of economic necessity but on the kinds of things that contribute to further alienation of that great province and the people who live in it.

What about the reduction in money available to provinces for health care? When I am here in Ontario I read the press concerning what is happening with respect to waiting lists and people going to the U.S., people who can afford to pay for their own operations leaving the country because the waiting lists are so long.

Is this the time to be saying to veterans who need health care: "It is going to cost you $3,000 a year. If you have a spouse that kind of money comes out of your budget. You have not done enough for Canada. We are going to squeeze a bit more out of you"? Is that the kind of Canada that is part of the vision of the finance minister and this government?

What about small business? It has been a very dependable ally of this government for years.

What I am concerned about is the suggestion by members of the government that anyone who raises these questions does not understand. Who is a better friend of this government than the president of the Canadian Federation of Independent Business, John Bulloch? What does he say about the goods and services tax? He says that it is a nightmare on main street.

Mr. Turner (Halton—Peel): He likes the budget.

Mr. Young (Gloucester): The hon. member says that he likes the budget. That is not at all what he said. He does not like the budget. He likes some parts of it, but he does not like the budget.

The selective kind of response we get is that if you are against the goods and services tax, if you are against what this government does, it is because you do not understand what it are trying to do. Why does the government not give John Bulloch and the Canadian Federation of Independent Business and its 80,000 members an opportunity to tell it what they really think about the goods and services tax?

Why not go to Alberta, which I will be doing on March 5 to debate the Minister of Finance, where a few hundred people will have an opportunity to sit in the public forum we will be involved in that evening? The finance minister and I are going to spend a lot of money to get to Alberta. It would be nice for Albertans to be able to get to a nice big meeting, in a nice public place where it does not cost $100 to be able to attend by invitation only.

It would be nice to have Mr. Bulloch and my hon. friend who has been interjecting attend that meeting, as well as to invite the leader of the Reform Party and some people from New Democratic Party. Mainly the people of Alberta should be invited to make sure that they understand what the goods and services tax is all about

from the Conservative point of view. That would be a very helpful exercise in making sure that Albertans and Canadians generally understand what the tax is all about.

• (1650)

There are many questions that Canadians had before this budget was presented, and there are still many questions to be answered. But the hon. member has a point. What is that we must do?

I believe, as we have heard many times as we crossed the country with the Standing Committee on Finance, that we do have to get involved in real and meaningful tax reform. It is no longer a question of passing the buck. It is our buck. The buck stops here, whether it is federal, provincial or municipal.

As the mayor of Vancouver suggested at our hearing in Vancouver, we have to look at what the impact is of tax reform, not to have federal unilateral tax reform and some provincial machinations and then the municipalities pick up whatever is left as it trickles down. We need to look at what we are doing in terms of our taxation policy, our spending policy. How does monetary policy integrate into what we are trying to achieve in this country? We have to get along. We have to be able to talk. The great conciliator has blown it. Where are the premiers as we talk about economic matters in this country, never mind the other issues? On straight economic matters where are the provinces?

Are we going to have a country with 10 economies, 10 provinces, where all the provinces will be judged like this: "Are you making money this year? Do you have a budget this year? Do you have a little more capacity to pay"? Is this the kind of Canada that we are trying to develop, instead of a cohesive, national approach to our problems in our economy? Are we saying: "Let's break it all up into little pieces and let's deal with each province as a separate entity"?

We understand the jurisdictional problems that are involved. Confederation has survived for over 100 years. This is a very different kind of approach.

Too often the federal government has raised taxes and got involved in budget cuts without fully recognizing the impact on provincial governments and municipal governments. We need to get involved in a very serious reform of government activity from the point of view of taxation, spending and monetary policy.

[*Translation*]

When they look at the government's record. after five and half years in power, Canadians certainly have the right to be discouraged. They know perfectly well that we have to be competitive on international markets and that we have to improve job creation and the training of our workforce. They know perfectly well that Canada has to keep playing a leading role in connection with the dramatic changes that are taking place in the world.

[*English*]

We must be competitive. Canadians try always to be the best they can be, but we know that we cannot excel if we do not manage our economy effectively, if we do not respect the environment, if we do not make sure we have the best possible education system.

Canadians know that these goals and objectives have a price. Canadians are always prepared to pay the price when the price is fair. Canadians know that we cannot move confidently, never mind into the 1990s by trying to spread our vision into what we want to do in the 21st century, if we are strait-jacketed by a government which has demonstrated unequivocally that it is unable to manage its own affairs after having bragged about good management for years.

We believe that Canadians can achieve great things together. We can work together to try to move toward a debt-free country. Our citizens, our children, deserve a healthy environment and a healthy economy. In my view the two go hand in hand. The tragedy of yesterday is that this budget does not deliver on either of those dreams.

I therefore move:

That the motion be amended by deleting all the words after the word "that" and by substituting the following:

This House condemn the government

(1) for escalating an already intolerable tax burden on Canadians, including its proposed goods and services tax, while attempting to shift its obligations on to lower income Canadians and the provinces;

(2) for its attempts to abandon its responsibilities for health care, post-secondary education, veterans and regional development, and

(3) for its continuing policies of high interest rates and slow growth that can only deepen a Tory made-in-Canada recession.

Some hon. members: Hear, hear!

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement Government Orders will be extended by 26 minutes starting at six o'clock.

The Chair recognizes the parliamentary secretary on a point of order.

[*Translation*]

Mr. Vincent: Madam Speaker, I think we should ask for the unanimous consent of the House to allow the Leader of the New Democratic Party to finish her speech, and if she needs more time, I think we can count on that unanimous consent.

[*English*]

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion made by the parliamentary secretary. Is there unanimous consent?

Mr. Milliken: We are happy to co-operate and give our consent to the suggestion made by the member speaking for the government.

I may say that if the government is in a mood to hand out money we would be pleased to have it distributed equally to all sides of the House.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I welcome the opportunity today to speak on the finance minister's budget. I welcome it more than ever because what this country needs is a serious debate about economic policy.

Some hon. members: Hear, hear!

Ms. McLaughlin: From coast to coast to coast Canadians know that something has gone seriously wrong with the economy of this country. This budget represents a culmination of six years of economic mismanagement.

When we think the government has outdone itself, when we think that it will not introduce any more harmful and short-sighted policies, when we think that there will be a vision, that there will be some new ideas we see, once again, that the old party has old ideas, fighting yesterday's battle with yesterday's solutions in the 1990s.

What we need is a serious debate. Contrary to what the government would like to see, that debate must involve all Canadians. That means women's groups and aboriginal groups, environmentalists, social justice advocates—all advocacy groups. It is no coincidence that this government is cutting $23 million from advocacy groups.

This finance minister and this government are attempting each year to silence more voices, the voices of aboriginal people, the voices of senior citizens, the voices of women. The voices in society who have the most to lose are silenced by this budget.

But one voice is being heard loud and clear. That is the voice of a senior citizen, a veteran who has served his country. His voice is in response to the fact that he is going to have to pay $6 extra a day as a result of this minister's budget, $6 a day in a budget measured in billions. So what does one of those veteran residents in the Rideau Veterans Home have to say? Mr. Trailing states: "After all the boys have done for this country they get stepped on and insulted". Then he refers to the finance minister and states: "I would like to take on that guy. We are a special breed and all he gives us is a big foot on our neck".

• (1700)

That may sum up the feelings of many Canadians about this budget. So this government is going to get a vigorous debate from the New Democratic Party and I would say from Canadians from coast to coast to coast.

What we are going to be saying to this government is that we are weary of broken promises. We are weary of deception. If, for example, this government says it is going to save the environment and provide a better future for our children, then the government should do it. Do not deliver a budget reacting to yesterday. Deliver a budget that deals with the issues of tomorrow that leads us boldly into the 1990s.

The fact is that this budget is like an old grade B movie. The present finance minister has given Canadians a budget of out-of-control interest rates, escalating unemployment, a budget that is destined to lead this country into further recession. This is a budget for an army fighting a cold war that no longer exists. It is a budget that ignores an environmental crisis that very much does exist.

There is no vision here. There is no grasp of the challenges confronting us. This government is reacting to yesterday instead of building for tomorrow. There is

not one new idea in this budget, not one. That is shameful because there is so much to do.

We in the New Democratic Party say it is time for this government to deal with the challenges that confront Canadians. It is time for real leadership for a change.

[*Translation*]

Let's take a look at the contents of the Budget, Madam Speaker. Let's see who are the losers and who are the winners. It is easy to see who the winners are. They are the corporations and wealthy citizens who do not pay their fair share of income tax. They are the companies that make profits by polluting our environment. They are the communications consultants who get millions of dollars worth of contracts from the government to sell Canadians unsatisfactory policies. They are the brokers who will make a pile of money on the sale of Petro-Canada and Telesat. The list of losers is much longer. It includes all those who use the health care system. It includes young people, the elderly, the homeless, Native people, women, Canadians in our poorest regions, fishermen, farmers, the unemployed and the children who will be left with a polluted environment. Instead of a clean environment, we now have a polluted one.

In other words, the Budget affects all low- and middle-income Canadians, whether they live in Canso or Kelowna, in Quebec City or Whitehorse. They will have to pay more taxes, while services offered by the government are gradually disappearing.

[*English*]

Let us make no mistake about this, taxes are going to increase. There are taxes in this budget. Canadians can read between the lines. They have not forgotten the goods and services tax. They know they could pay hundreds of dollars next year because of the new sales tax. They know that when the federal government puts in less money for health and education and for post-secondary services, the provinces and the territories have to put in more.

That translates into higher provincial and territorial taxes. Canadians can count on that. They know they cannot count on the word of this government.

The reaction from provincial premiers and finance ministers has been swift and brutal. The Nova Scotia finance minister said last night that this budget would cost his province $80 million over the next two years; Ontario $480 million. In B.C. it will cost $120 million next year alone. All the provincial governments said plain and simple they are going to have to raise taxes or reduce their commitment to medicare and education.

What this government is doing is reducing the options for Canadians for the future. Those provinces that are poorer or have smaller populations particularly simply do not have the resource base and the revenue base to compensate. It is a complete abdication of federal leadership. It is cowardly and it is shameful.

[*Translation*]

Reductions in medicare and post-secondary education are perfect examples of broken promises. Here is what the Prime Minister said in the last election campaign: "As long as I am Prime Minister of Canada, social benefits will be improved, not diminished, by our government, which is committed to promoting social justice and equity." He did say "improved", Madam Speaker. He did not say "diminished".

Let us now take a look at the Budget. Funds to the provinces and territories for medicare and post-secondary education will be reduced by $7.3 billion over five years. This is in addition to the reductions announced last year.

An hon. member: That's incredible!

Ms. McLaughlin: Government cuts for health care are another attack on medicare. It affects millions of Canadians, Mr. Speaker. Imagine the crowded emergency room corridors, the closed hospital wards, the waiting lists for major surgery that are growing all the time. The Government of Quebec is even talking about charging for some medical services.

[*English*]

Imagine, Mr. Speaker, the average Canadian family since 1984 has paid 67 per cent more in sales taxes and every year the amount of income that they have available gets less and less. Imagine that average Canadian family now with the reduction in health services having to worry about whether their child can have an operation that is

needed. We are getting closer and closer to the American way and we won't stand for it.

The New Democratic Party created medicare in this country. We are not going to stand by and watch this government destroy it. We are going to fight this every step of the way.

Some hon. members: Hear, hear!

[*Translation*]

Ms. McLaughlin: I am dumbfounded, Mr. Speaker, to see the government take such short-sighted action as to reduce funding for post-secondary education. For example, the Canadian Association of University Teachers estimates that these cuts will amount to $3.1 billion.

Obviously all sensible Canadians consider our young people to be our most important resource to maintain a sound economy.

• (1710)

We must first invest in our young people and give them the training they need, if they are to meet the challenges of tomorrow. Education is the key to a prosperous and durable future.

I would like to mention one more aspect which concerns federal transfer payments to the provinces and the territories, Mr. Speaker, and it is a very important one. Cuts in government spending on health care and education will gradually create two societies: one rich and one poor. A few provinces and territories may be able to compensate for federal cutbacks, but it will be impossible for the poorest provinces and territories to do the same.

[*English*]

In those provinces that cannot make up the shortfall, services will suffer. Do we want to see a Canada where Newfoundlanders, for example, may have less adequate hospital facilities than Ontarians? Where Saskatchewanians will have higher tuitions, overcrowding and ill-equipped labs at their universities.

Where is the national standard here? Canada is about equality. It is about regional justice. We cannot continue to ask the poorest regions of this country to pay the cost of this government's economic mismanagement.

The creation of one Canada which is rich and another Canada which is poor is unacceptable and it must be stopped and it must be stopped now.

As we analyze the budget, we see once again that, like the goods and services tax, this budget is designed to take the most from those who have the least, from those who are the least able to speak up and have their voices heard.

These cuts, like so many that preceded them, are directed to those people in our society who need the help from all their fellow Canadians the most. Look at the hundreds of millions of dollars cut in the Canada Assistance Plan funding for Alberta, for B.C. and Ontario. The Canada Assistance Plan funds welfare, child care, and other programs to meet the needs of the poor.

The poor in these provinces need these programs just as much as the poor in other parts of the country. When you are poor, you are poor, and it does not matter where you live.

One has to wonder if any members of this government ever go and walk one of the city streets, because if they did they would see the increasing numbers of homeless in those streets. Yet, what does this government do? It cuts social housing expenditures. That is a crime.

If members of this government were to go to many of the communities across Canada they would see first hand what we should be doing. What we should be doing in this House is saying to aboriginal Canadians: "We are here to ensure that you have the power to control your own lives as first nations of this country, that you deserve our respect, and we are going to support you in your aims and objectives." What does this government do? It cuts Indian and Inuit programs by $50 million this year and another $50 million next year, just the way that last year this government cut aboriginal post-secondary education. A fact is a fact, Mr Speaker. This government's treatment of Canada's first nations is shameful.

I mentioned earlier probably the most heartless, the most insensitive and the most unnecessary cuts in this budget are the cuts to veterans, to the men and women who have served our country, cuts to their long term care and lodging, increasing the cost of every meal and increasing the cost of their rooms. This is a remarkably

cruel expression of our gratitude to veterans for their service to their country.

We have to contrast the $17 million that this move will save Canadians with the $14 million that this government will spend to sell a tax with a propaganda program, the goods and services tax, that we already know 80 per cent of Canadians do not want and do not want to hear about from this government.

We have been proud over the years that we are a country that values equality in justice. But this government is even going to put the cap on that, making sure that some $86 million will be cut from legal aid, those very services that ensure that Canadians have access to having their rights addressed. Again, low income Canadians will suffer the most because often it is they who rely on legal aid.

We have had a very important inquiry in this country on native justice. This is going to seriously affect the rights of native people to access to justice in our society. So on the one hand while we are giving platitudes about how we believe in native justice and how we believe that every Canadian should have a right to fair and equal justice in this country, on the other hand we are cutting the ways for them to have those rights and this will not be tolerated.

[*Translation*]

Mr. Speaker, the government has also imposed cuts on Telefilm Canada and the CBC. The CBC is one of our major national institutions, and both the French and English networks contribute to national unity by strengthening ties between Canadians. If the Conservatives want this Crown corporation to close down, they are on the right track.

A number of questions come to mind, Mr. Speaker. When will the government stop undermining our sovereignty? When will it stop destroying our cultural institutions? And when will it stop attacking the poor and the most vulnerable in this country?

[*English*]

This government has shown once again by this budget that it has not moved at all into the 1990s, that it has not in any way attempted to address the situation that is happening internationally by making any plans to bring our troops home from Europe. Their cold war mindset has once again prevented them from a forward initiative.

Instead, this government has axed the Polar 8 ice-breaker, which is so crucial to protecting the sovereignty of the North. The question that arises is when is this government going to stop selling our sovereignty? When is it going to stop destroying our cultural institutions? When is it going to stop punishing the disadvantaged in this country?

Just as important as what is in the budget is what is not. There is nothing in this budget for women. There is nothing for shelters for battered women. No real commitment to pay equity in the Public Service and the private sector. No program to educate police and judges on women's issues. No relief for older women living in poverty. None of it is there.

There is not one word about child care. Talk about a broken promise, Mr. Speaker. While one million Canadian children require child care, and are not able to get it, this government is silent. Women are never going to be able to attain equality until Canadians have access to affordable quality child care, and the lack of that kind of care, sadly, seems to suit this government just fine.

The minister responsible for the Status of Women should take a good look at her record. It is a miserable record. The move toward equality has been stopped and reversed and the only new initiative that there has been is the recriminalization of abortion. What this government is saying is that we will not make the effort to treat women with dignity, but we can find the time to treat them like criminals.

• (1720)

Another item in this budget which is extremely disappointing is the fact that the regions of this country have been totally ignored. Despite the debates we have had in this House about the crisis in the Atlantic region, despite the serious situation of farmers, we see nothing in this budget to help farmers, the Atlantic region and other regions in this country. This budget comes back empty-handed. There is not one new dollar in regional development money. This government has done a masterful job in creating a crisis in Atlantic Canada and doing nothing to resolve it. There is no emergency relief package for the Atlantic and nothing for workers in the fisheries.

[*Translation*]

The province of Quebec alone will lose $220 million in transfer payments during 1990-91. In addition to cutbacks in health care and education, Quebec will be affected by cuts in subsidized housing, in funding for the

CBC and in exploration incentive programs. We also note there are is no new measures to stimulate economic development in this province.

[*English*]

This budget offers absolutely no relief for northern Canadians. In Whitehorse, one of the cities that is generally studied to see the cost of an average food basket, the food basket is fully one third higher than any other city in Canada. That does not tell the real tale, because if you went further north into the eastern Arctic and smaller communities north of my home community, that would be doubled and tripled. What do we see in this budget? We see cuts to Indian and Inuit programs. Cuts to health and post-secondary education. The cancellation of the Polar 8 ice-breaker. An end to the Canadian exploration initiative program. Once again, the interests of the north are overlooked.

I just learned this morning from the National Executive of the Native Communications Program that their funding is in serious jeopardy. The Northern Native Broadcast Access Program will be cut by some 15 to 16 per cent. These are programs that have been praised by UNESCO and by CIDA, known around the world for their high quality. What do these programs do? These programs give a voice to aboriginal people and they do even more.

I would just like to cite an example of a radio station serving northern Ontario, it is the Waterway Radio Service, where trail radios are used in remote communities by hunters and trappers to call for help in emergency situations. Every year hundreds of lives are saved by the trail radio service. There are 30 community radio stations that will no longer receive regular maintenance and could be drastically cut by these cuts to this budget. This is equally true for other native communications that are going to be hit by this cost reduction. It could very much affect the kinds of broadcasting, award winning broadcasting. The Inuit Broadcasting Corporation wins awards around the world. But we are going to cut it. CFWE in Lac-la-Biche, Alberta; SHON-FM in Whitehorse and CKNM in Yellowknife, among others, will be permanently crippled by these reductions.

Surely, we have a responsibility to ensure that Canada's First Nations have a system of communication, of support which will enable them to continue to advance toward their goals. I would say as well, that much of these native communications systems not just serve aboriginal people, they serve the whole community. In my community alone, this system of communication serves the whole community. So we are cutting a service to many of the northern and remote areas of this country that serves all residents of those areas.

This is a serious attack on Canada's aboriginal people and it will be devastating for many of the communities.

The finance minister, as I mentioned earlier, has also chosen to ignore the devastation facing prairie farmers. Nothing is being done to avert the farm crisis. We have family farms there that are in a situation of Third World debt. They are not going to be able to get out of it.

As we sit here today, a country that loses sovereignty over its food supply loses its sovereignty, Mr. Speaker. The family farm is threatened, rural communities are threatened. Last year 25,000 people were forced to leave Saskatchewan. For the good of this country, we must save our family farms. We have to keep our farmers on the land. It is our legacy to the children and we must do that. But this budget does not even begin to do it.

We see a budget that projects an increase in unemployment. It is almost unbelievable that we have a budget that states that there are going to be more unemployed. There is no retraining funding, no jobs strategies, nothing in this budget to help the 1.25 million Canadians who are unemployed. Not only is this government doing nothing, but as I say it is predicting higher unemployment, an unemployment rate of 8.5 per cent over the next couple of years. That is 100,000 additional unemployed each year.

This government seems to feel that work is a luxury, that somehow in hard times we just kind of do away with it. But this is about families. This is about the dignity of work, the dignity of families, people contributing in a productive way to our society. Unemployment is about causing family breakdown, social problems and losing all of the productivity that the unemployed could be giving to our society.

But to the finance minister unemployment is just another economic indicator. It is not an economic indicator. It is people. It is bread and butter on the table, it is dignity, it is respect and we owe it to this country to have a policy of full employment not a policy of high unemployment.

As an aside, whatever happened to the jobs that were to be created by the free trade deal? There do not seem to be any. The only job that this government created is one, a con job, and the biggest con job that this country has ever seen.

[*Translation*]

The destruction of unemployment insurance, the pressure to lower wages, the use of the unemployed to fight inflation, the lack of new initiatives in the Budget to help unemployed Canadians workall show the government's insensitivity to unemployment.

The Minister of Finance (Mr. Wilson) must realize that if he wants a sound economy, he must invest in the people of this country. That means creating jobs. The NDP maintains that all Canadians are entitled to a job. An unemployment rate of 8.5 per cent is totally unacceptable. It is even scandalous!

[*English*]

In this budget, this government has ignored a very important crisis facing Canadians, one that over 80 per cent of Canadians have identified as a priority concern to them, to their children and to the future. That is the environment. By failing to deal in any way in this budget with the environment, this government has failed Canadians. There is perhaps nothing in the budget that so clearly represents the lack of vision of this country than the inactivity concerning the environment. Nothing shows more clearly how this government is out of touch not only with the problems in Canada, but with our commitments to the international community.

• (1730)

It is not as though this government does not talk about the environment. We have heard many promises regarding the environment. The Minister of the Environment promised a tough environmental agenda for Canada that would include concrete measures and funding to support them. The environment minister promised that it would be a green budget. My colleague says that we have word inflation, more words but no action on the environment.

There is no intention in this budget to make the condition of our environment a priority. By addressing environmental initiatives, of course, we would create more jobs. But the government plans this budget on increased unemployment, not on planning for the future.

There is not one cent in this budget for alternative energy, research into clean technologies, conservation or recycling. There is not one new initiative to deal with ozone layer depletion or global warming.

This budget demonstrates how ineffective the environment minister has been in promoting his agenda. It demonstrates how little real commitment this government has to the environment. It is a total sham when it comes to action.

Canadians who care about the future of this country and care about our environment must speak out, and write to the Minister of Finance and Minister of Environment to say they want economic planning that plans for the future, that plans for our children and our grandchildren. That is what we want to see in the budget.

[*Translation*]

The Minister of Finance must now recognize that the most important deficit facing Canadians is the environmental deficit. It is growing all the time. It is a threat to our children. And unlike other deficits, it cannot be repaid.

We must stop it without further delay. Now, Madam Speaker, not in ten years.

Canada has no economic future if our children cannot breathe without danger and if they have nothing to drink and eat.

[*English*]

In conclusion, I want to make several points. The Minister of Finance was very specific with dollar figures in his budget when it came to the kinds of cuts that would take place in social programs and health programs. We know it is going to be some $7.3 billion in five years. There will be cuts to health and post-secondary education, cuts to those things that are an investment in the future. There will be cuts to science and technology, which affects our very ability to compete in a changing world.

Those figures are very precise. There are precise figures about the kind of savings there will be by reducing programs for Indian and Inuit people, the kinds of savings there will be from a reduction in overseas development. There are specifics about the kinds of savings we will see from veterans. It is all very specific in the budget.

The budget also talks about the ending of grants to business. The government presents this as dealing with fairness and justice. It is going to end grants to business, but which businesses? Is it small businesses that create most of the jobs in this country and will feel the worst effects of the goods and services tax because of the administrative burden, and fewer purchases? This government does not say.

Is it the over 80,000 profitable corporations that do not pay any taxes? This government does not say. And how much will we save by this budgetary measure that is supposed to assure those less well-off people that the corporations will pay their fair share? Well, there is no figure.

I find that very curious because when this finance minister decides that he is going to cut services to veterans, cut social housing, cut social assistance, cut child care, he knows exactly how much. But when it comes to his friends in the corporate world we see no figures, no projections, no definition of what business he is talking about.

This is the kind of flim-flam and sham that the Minister of Finance is trying to sell to Canadians as his answer to the 1990s. Well, this is the minister's sixth budget and it is absolutely essential that we look at this budget in that context. This Minister of Finance has had six years of economic mismanagement. He has had six years to bring inflation under control. He has had six years to get interest rates down. He has had six years to plan for post-secondary education and research. But what has happened? Now we are told it just did not work.

Mr. Nystrom: We should deep six him.

Ms. McLaughlin: My colleague says we should deep six the minister. I think that may be a good piece of advice for the government.

On the one hand the government is purposely pursuing a high interest rate to bring inflation down, while on the other hand it is proposing a goods and services tax which by its own admission will increase inflation. It is pretty hard for average Canadians and maybe for average members of Parliament to follow this logic and this kind of economic management.

On one hand you have a policy to bring inflation down and another one to bring it up. That is some balancing act. I would suggest to you, Madam Speaker, that just like those statements about sacred trust of social programs, just like the statements about the goods and services tax not being hidden and that it would develop our economy, this budget simply is not describing the situation as it is. By pursuing conflicting policies, this government has led us to a debt that has doubled since it came into power. This is economic management?

In fact, the government predicts higher unemployment rates in its own budget. This should be a shame to the government, not a so-called economic indicator. History would show that this government bases its budgets on some fairly inaccurate projections. In last year's budget the minister said our interest rate this year was going to be about 10 per cent, and all of the calculations were based on that figure. Canadians who are now looking at interest rates of 14 per cent and more know how much they can trust the projections of this Minister of Finance.

They also know that the high interest rate has added billions of dollars to the deficit the minister says he wants to bring down. For each increase in the interest rate we immediately add $1.7 billion to the deficit. Again this year's budget is based on low interest rate forecasts. Given the course followed by this government, I think we can assume that it is very unlikely to happen so that we will have inaccurate projections of deficit reductions and the deficit will remain high.

In conclusion, this is truly a budget of despair and disparity. For women, for aboriginal people, for the unemployed and for the poor it holds no hope for a brighter future. It means even a larger gap between those who live in the richer provinces and those who live in the poorer provinces. It is tough times for those who live in the Atlantic, on the prairies, in the north. It is a budget totally without vision, without new ideas, a budget that fails to deal with the challenges of tomorrow.

• (1740)

What this country needs is an end to food banks, to homelessness, to soup kitchens. We need a fair taxation system where upper-income Canadians and profitable corporations pay their fair share.

Some hon. members: Hear, hear!

Ms. McLaughlin: What this country needs is a government that moves toward social fairness. There should be investment in our people through higher education, job training, employment flexibility and child care. A substantial and immediate cut in interest rates would take billions off the deficit, would assist our farmers, assist small business and get this economy moving.

We need a budget that has a plan to develop and sustain our regional communities. We need to see a budget that has a strong, concrete, specific commitment to the environment.

Some hon. members: Hear, hear!

Ms. McLaughlin: We need a budget that will ensure that no matter where you live in this country, from coast to coast to coast, you will have the opportunity to have a job, to have dignity, to stay in that community to build a strong country.

[*Translation*]

We have to get rid of the Conservative program. Cupidity is not a virtue, compassion is not a vice. We have spent too much time and a lot of effort building a just and humane society, we simply cannot let the Conservatives destroy it now.

I am saying to members opposite that Canadians from coast to coast cannot stomach the Conservative government's lack of vision. They reject free trade, they reject the GST, they reject this budget. They are tired of broken promises. They can no longer stand being losers all the time.

[*English*]

The voices of Canadians are going to be heard. There is a movement growing in this country. The so-called little people are standing up and they are increasingly speaking with one united voice, which is thundering across this country, where people from every background, every social group, every community, every region are getting together to oppose this government's policies. It is a united voice that is saying: "Enough is enough, we are going to take Canada back".

An hon. member: Hear, hear!

Ms. McLaughlin: We in the New Democratic Party say it is time the voices of Canadians were heard. It is time this government listened to Canadian concerns and heeded their advice. The people of Canada can show the way. They have a vision for the future.

To the Minister of Finance, to the Minister of the Environment, to the Prime Minister, I say: Listen to the people of Canada before it is too late.

[*Translation*]

The Canadian people can show the way. They have faith in the future. There is one thing I want to say to the Minister of Finance to the Minister of the Environment, to the Prime Minister: Listen to the people of Canada before it is too late!

[*English*]

This budget is yesterday's budget. This budget presents not one new idea, not one vision for the future. Therefore, I move:

That the amendment be amended by adding the following words:

(4) for failing to protect the environment;

(5) for failing to provide support for Canada's farm communities;

(6) for failing to share the burden of taxation by closing tax loopholes which permit profitable companies to escape paying taxes;

(7) for failing to provide aid to Atlantic Canada; and

(8) for failing to provide a national program of child care.

Some hon. members: Hear, hear!

[*Translation*]

Hon. Gilles Loiselle (Minister of State (Finances)): Thank you, Madam Speaker, for giving me this opportunity to participate in this important debate.

[*English*]

The motion before us today to approve, in general, the budgetary policy of the Minister of Finance deserves the full and wholehearted support of all members of this House. Approval of the motion will mean acceptance of the goals set out in the budget; deficit reduction and putting the economy back on the road to sustainable growth.

The message of the budget is clear. It calls on Canadians to persevere in the battle to control spending, reduce the deficit and to fight inflation.

Moreover, it holds out the promise that its measures will put us back on the deficit track set out in the 1989 budget, which will lead to a dramatic cut in the federal deficit to $14 billion by 1993–94 and to $10 billion in 1994–95. That track will allow the burden of national debt to begin to be reduced as it shrinks relative to our national income.

[*Translation*]

The policies announced in the budget, Madam Speaker, will move our national finances ahead, so that spending on debt interest will shrink from 35 cents of every revenue dollar today to 26 cents and falling in 1994–95.

My confidence in the policies set out in the budget is well placed. It stems from the fact that they are the same policies this government set out in 1984 and has been following since, with positive effects for the economy. In that November 1984 Economic Statement the Minister of Finance set out a plan with two main thrusts: to put the government's financial house in order, and to foster a dynamic, innovative and competitive private sector.

Our actions since then have challenged Canadians and encouraged them to improve their ways of doing things, but the real source of pressure for change is not the government, Madam Speaker, it is the rapidly evolving and increasingly competitive world in which we must earn our way.

Our policies have really recognized this. They promote the development of a dynamic, flexible economy that responds quickly and effectively to new challenges and opportunities; a more open and market-oriented economy that brings out the best of our competitive abilities.

Let me remind you, Madam Speaker, of the major initiatives taken by the government to strengthen the structure of the economy and encourage the development of growth and job creation.

The Canada–U.S. Free Trade Agreement has opened up new opportunities in the large American market. This will help build a stronger, more competitive economy. It will lead to an ongoing 3.5 per cent increase in our economic output, in all regions of the country.

• (1750)

Deregulation of the energy and transportation sectors, through scrapping the National Energy Program and other initiatives, has reduced government interference in these key parts of the economy, and encouraged greater competition and efficiency.

[*English*]

Reform of the income tax system has lowered tax rates and eliminated tax breaks and loopholes. The system is now fairer, and provides greater incentives to work, save and invest, with a resulting increase in economic output.

Our Labour Market Development Strategy seeks to improve the flexibility of the labour force. Better training means better jobs. A better trained and more flexible labour force can adapt more quickly to new technology and change.

Privatization of Crown corporations and sale of investments where government ownership is no longer needed to meet public policy objectives has led to greater economic efficiency and deficit reduction. Since 1984, holdings in 18 corporations have been sold or reduced, and eight other corporations have been dissolved. As well, the financial health of many Crown corporations has substantially improved.

Reform of the sales tax system is a necessary further element in our economic plan. The existing manufacturers' sales tax impairs our economic competitiveness, is unfair, and does not provide a secure source of income to help control the deficit. It destroys jobs and costs Canada $9 billion in lost annual output. The GST will unlock our potential for new growth and job creation. It will be a fairer tax, because of the refundable tax credit, and it will provide a secure source of revenue to the government.

Taken together, all these reforms will significantly increase the capacity of the economy to produce goods and services. They raise potential growth from an average of 2.75 per cent a year to over 3.25 per cent. That means more jobs and a higher standard of living for Canadians.

[*Translation*]

I said earlier, Madam Speaker, that this approach has been successful. The proof lies in the record which shows that Canadians have responded well. About 1.6 million

more Canadians have jobs today than in 1984. Average family and individual incomes have steadily increased, both in total dollars and in real, after-tax income. There are now 750,000 fewer Canadians living below the poverty line.

Some hon. members: Hear, hear!

Mr. Loiselle: Despite these successes, more remains to be done. This brings me to the second element of our policy—gaining control of our national finances.

Let me remind you that in 1984 the government was living far beyond its means. It was spending more on programs ans services than it was taking in through taxes and other direct revenue. Because of this, it had to borrow $16 billion to cover the difference between revenues and program spending. In addition, on a separate track, the $200 billion debt was generating over $22 billion in annual interest charges.

We recognized that the first task was to tackle the deficit on program spending, and launched a broad and sustained effort to reduce expenditure. Our first priority was cutting the cost of government operations, that is, the day to day costs of running departments, including salaries, travel, equipment and maintenance.

In the five years since 1984 these have been cut from $17.4 billion to $16.8 billion. Government is functioning with less money despite a larger workload.

Thus, in December 1989, the President of the Treasury Board announced further steps to eliminate waste and improve efficiency. We are continuing with the job of lowering government's overhead costs.

We then tackled government program review. We undertook a major effort to reform and improve them. Some outdated programs were eliminated, and others were restructured or restrained.

With tight discipline and good management, program spending has been reduced from 19.5 per cent of the economy in 1984 to 16 per cent this year. That is equivalent to a $22 billion reduction in spending.

Some hon. members: Hear, hear!

Mr. Loiselle: Obviously, our financial problem was not caused just by too much spending. We were also very much aware that revenues had declined as a share of national income. Special tax breaks and flaws in the sales tax system were contributing to this decline. By eliminating tax breaks and loopholes, and reforming the tax system, we have increased revenues. As a proportion of national income, revenues have now returned to their average level for the 1970s.

[*English*]

In 1987-88 we passed a major milestone on the road toward financial soundness, when the operating deficit on programs was turned into a slight surplus. That operating surplus now stands at $9 billion. It results from a fundamental structural change in the balance of spending and revenues. And 70 per cent of the progress is the result of expenditure restraint, not revenue increases.

Having a surplus on program spending means we are working our way toward also dealing with the second component of the deficit problem. Despite the fact that the annual growth of the debt has fallen from 24 per cent a year in 1984 to less than 10 per cent, it is still growing faster than the economy—faster than our ability to pay.

The deficit of $200 billion we inherited in 1984 has grown by $150 billion. Over 80 per cent of the increase has been due to the compounding interest on the original debt. This demonstrates clearly how urgent, and how difficult, it is to break the debt cycle. It also helps to explain why our annual deficit is still at $30 billion, despite the reduction in spending and increased revenues.

[*Translation*]

Yes, Madam Speaker, the $200-billion debt cost us $22 billion a year in interest for which we did not have the money because we had been left with a deficit that did not even allow us to pay for current expenses— We changed this negative situation—$16 billion—into a positive one, with a $9-billion surplus this year.

[*English*]

So 80 per cent of the increase has been due to the compounding interest on the original debt. How can you pay a debt without paying the interest on the debt and where do you take the money when you have a deficit? The growth in the public debt will ultimately consume the opportunities we seek for our children if it is not brought under control. We have a responsibility toward all future Canadians to protect their future. The most effective way to deal with this problem is to deal with high inflation. Only in that way will interest rates decline

and the economy be put back on a sustainable path of expansion.

• (1800)

Inflationary pressures are strong after seven years of strong economic growth. The demand for goods and services has outpaced the economy's productive capacity. To lower inflation, costs have to be kept under control, not just in the federal government but in all areas. But there are no shortcuts or easy ways to bring down inflation. Least of all can this be achieved by arbitrary reductions in interest rates.

Experience makes clear that to run away from the problem is futile. Experience shows that the monetary policies now being followed are the ones that will work.

Let us be clear about the problem. The Liberal government demonstrated that it did not understand the problem. High interest rates are only a symptom, not the problem itself. Underlying inflationary pressures are the cause.

The key to a successful economic policy is to deal with the underlying problem. Our measures work together with the restrictive monetary policy of the Bank of Canada to ease demand and reduce inflationary pressures. They will reinforce each other and pave the way to strong sustained growth and job creation.

There is no question that the budget's measures are tough. There is no disguising that fact. This reflects the reality that there are no easy ways to cut spending after several years of restraint. There is no truth in the belief that spending can be substantially reduced without having a real impact outside the government.

Together with measures already announced by the President of the Treasury Board, the budget's measures will produce savings of $3 billion in 1990–91 and almost $4 billion in 1991–92. Over $19 billion will be saved over the next five years.

[*Translation*]

To achieve these savings, Madam Speaker, we examined all areas of spending. We had to make some difficult decisions. In making them, however, have been sensitive to their effect on the finances of individual Canadians.

Therefore, major transfers to persons, such as benefits to seniors, family allowances and unemployment insurance benefits will not be affected. Nor will equalization or Canada Assistance Plan transfers to the poorer provinces.

We have capped the growth of a number of programs at five per cent a year for the next two years. Such programs include: CAP payments to Ontario, British Columbia and Alberta, which are fiscally stronger than the others; and spending on defence, foreign aid (ODA), native programs and science and technology.

A number of other programs have been frozen at current levels for two years. Per capita cash and tax transfers to the provinces under Established Programs Financing will be held constant, so that total transfers will grow as provincial populations grow.

Some programs will be cancelled or reduced. We will not proceed with assistance to the OSLO oil sands project, or with the Polar 8 icebreaker project. The Canadian Exploration Incentive Program has been cancelled.

We will be taking a more businesslike approach, to our help for business. Grants will be eliminated, beginning in 1990–91, with certain exceptions. Financial assistance will be repaid on more rigorous terms. This approach places the emphasis on investment in economic development, rather than on subsidizing the private sector.

As a result of this move, ongoing financial contributions to business will essentially be limited to programs for agriculture, science and technology, native economic development, social housing, regional transportation in Atlantic Canada and regional development incentives focused on small and medium-sized business.

Further measures will be undertaken to increase efficiency and reduce the cost of government operations. More Crown corporations will be privatized, and more holdings will be sold. Dividends from Crown corporations will be increased. And the two per cent annual limit on the growth of government operations and maintenance budgets will be extended to 1994–95.

• (1805)

These measures, Madam Speaker, mean that program spending will grow by just under three per cent next year, which is well below the rate of inflation. The measures in the budget bring us back on to the deficit track set out in the 1989 budget, and cut the anticipated deficit for 1990–91 to $28.5 billion.

[*English*]

By 1994–95, we expect the deficit to decline further to $10 billion. The operational surplus will reach $31 billion with program spending falling to 14.2 per cent of national income. The burden of debt will be reduced as the national debt shrinks relative to the national income, and we will begin to pay down our bonds and treasury bills.

In short, we will be regaining the flexibility we need to make real choices about the country we want to pass on to the future. We will be able to do this in a climate of lower inflation, lower interest rates, sound economic growth and more jobs and opportunities in every part of Canada.

The measures in our budget show that we are willing to work hard to reach our goals. If we maintain our resolve we will win through to lower inflation and a stronger economy. I invite all members of this House to join with the government in fighting this battle for the future—not just our future but the future of all Canadians to come.

Mr. Samson: Madam Speaker, I listened very closely to the delivery of that unbelievable speech from the hon. member opposite. I sometimes wonder if we are talking about the same topic.

The government said that there are no new tax increases in this budget and there was a rousing round of applause for the minister when he made that statement. I would like to point out to the members opposite, in case they missed it, that the veterans in this country who are going to be paying $6 more per day for health care services are getting a tax increase. I do not care what you call it. If it is a price increase for health care it is a tax increase, it is an increase in something that they have to pay. You can cover it up and cloud it over any way you like. The veterans who defended this country do not deserve this slap in the face and the government ought to be ashamed of itself for even suggesting it.

I would like to ask the member for an explanation. Government members talk about not having any tax increases. Yet, in the same breath, they are telling us that in this year $1 billion in transfer payments to the provinces will be eliminated. Next year there is going to be a $1.5 billion reduction in those transfer payments. Last night we heard the Minister of Finance tell us that the provinces should have no problem whatsoever in recouping this money without raising taxes.

The finance minister has all the answers. Surely he must have a plan, surely he must have an answer. Can he tell us how the provinces are going to raise $1 billion and $1.5 billion without raising taxes to anyone? I would like the member opposite who just spoke to explain to us how this is going to happen. I would be interested in hearing the response.

Mr. Loiselle: Madam Speaker, I would like to remind the hon. member that, whether he likes it or not, there were no tax increases in the budget. There were expenditure reductions, and we do not apologize for them. They are needed, because our capacity to help the veterans and the other people we care for would be considerably hampered if we were not to deal with this very real problem.

This is what our friends across the floor failed to do. They left this country with a very hard inheritance. They laugh at the debt problem. They laughed at it when they were in power and that is why we are in this mess today. We have worked at it and we are gaining over it.

• (1810)

As for the other question raised by the hon. member about the $1 billion diminution in transfer payments to the provinces, the government has been very careful over the last five years to keep expenditures as low as possible, in fact to reduce them. We have very often been accused of doing that too much. We have kept, on average, increases in our expenditure at about 3.5 per cent.

Mr. Samson: How come the deficit went up?

Mr. Loiselle: The deficit went up because we had to pay interest on the debt and we did not have the money to pay it. They will never understand this. A debt of $200 billion accumulates interest of $22 billion a year, and that is not touching the debt. We did not have the money. We had a deficit in our current operation of $16 billion. We do not print money. We have to get it. We achieved a $25

billion turnaround in our last five years. This is a great achievement.

We have cut our spending, keeping it at the rate of growth of 3.5 per cent. Meanwhile, our transfers to the provinces year after year were increasing by 6.5 per cent. Looking at the over-all situation, at the need to get this in order and to continue in our effort, we felt that we could not leave aside such a massive program. Next year in transfers to the provinces we will be spending $35 billion. This is a large amount of money. You cannot cut what you do not spend so we had to look at it and we had to do it in a very fair way.

We had been asked by many ministers of finance of the various provinces, including my own province, to be attentive to the fact that there are provinces where the inflation pressures were higher, such as in Ontario, Alberta and B.C.

We have been very attentive to make sure that we spread these necessary cuts around. In total, these reductions, not in the transfer themselves but in the growth of transfers from 6 per cent to an average of 3 per cent—a little over 3 per cent in Quebec, a little over 4 per cent in the Atlantic provinces, and about 2 per cent in Ontario—were for the very purpose of sharing together in this national problem of reducing our expenditure. They represent less than 1 per cent of the total income of the provinces.

So it is a problem that can be dealt with if the provinces agree to share in this effort. They have to, because if we do not put this problem to rest once and for all over the next few years, we will not be able to transfer anything to anybody. This is what we are doing because our capacity to maintain the programs would disappear.

Mr. Pickard: Madam Speaker, I appreciate being able to address the Minister of State for Finance with a question.

I found it very interesting that he would stand in response to my colleague's question and suggest that six years ago the Liberals had a difficult situation with a budget deficit of $22 billion. I have noticed that your budget deficit last year was $39 billion, about double.

I found it interesting that the national debt was $168 billion in 1984. It is now $350 billion. Taxes have been increased 31 times by your government and those 31 increases have brought $50 billion more revenue into your coffers, bringing the total coffers to $70 billion, which national taxes were in 1984. Today, it is $120 billion.

And you stand and brag about improving the economy in this country. There has been tax grab after tax grab after tax grab. You have changed direction now, but you have not changed in one area. You still seem to blame the Liberal party. After five years of mismanagement, five new budgets and a sixth one now, how on earth do you have the nerve to stand and blame the Liberal government for your folly for five years when you have increased the taxes 100 percent and you have doubled the debt, doubled the deficit—

• (1815)

Some hon. members: Order.

Mr. Fretz: Point of order.

Mr. Pickard: I can ask a question with regard to—

The Acting Speaker (Mrs. Champagne): On a point of order, the hon. member for Erie.

Mr. Fretz: On a point of order, Madam Speaker. The hon. member keeps addressing the hon. minister. I realize he may be a new member here but surely he knows that his comments have to go through the Chair.

The Acting Speaker (Mrs. Champagne): It would be appreciated by the Chair if he would put his question to the minister through the Chair.

Mr. Pickard: I stand corrected, Madam Speaker. I am sorry they did not go through the Chair. I was misdirecting my comment. I was trying to deal through the Chair to the hon. minister. I was really baffled about how he directed his comments to the Liberal party. I guess sometimes things are misdirected.

I would guess, from what I have heard from the hon. minister, that there has been a tremendous misdirection about the economic woes of Canada in 1990. That misdirection has come from the Minister of Finance and the Minister of State for Finance. In all honesty, I would like to hear a justification of how he can support blaming Liberal governments when six budgets have come in, when there have been so many tax increases, and still we have an economy in a terrible state.

Mr. Loiselle: Madam Speaker, the hon gentleman said I do not understand. That is your problem. You have never understood this problem and you still do not understand it. To repay not a $100 billion debt but a $200 billion debt would mean $40 billion of repayment a year. The interest on the debt was $22 billion. In that current account there was a $16 billion deficit. You should revisit your numbers. This is the problem. To pay it back we would need to have $40 billion on top of our expenditures. This is the legacy you have left to this country and you should be ashamed of it.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now expired. I think the day should be coming close to an end when everything is going across the floor without coming through the Chair. I understand there is an agreement between the parties that the Chair should call it 6.26 p.m. Is there unanimous consent for that?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Champagne): It being 6.26 p.m., the House will now adjourn until eleven o'clock tomorrow morning. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 6.19 p.m.